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Current Developments in

THE FARM REAL ESTATE MARKET

November 1957 - March 1958

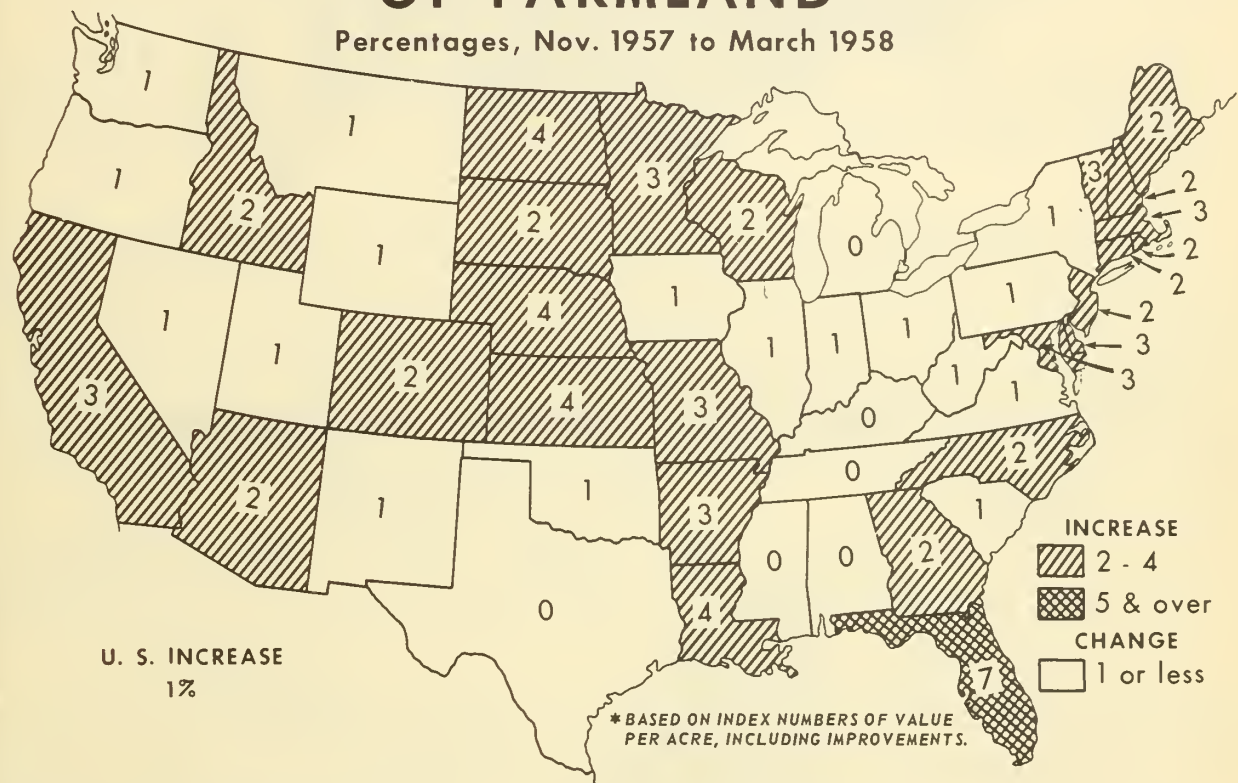
Agricultural Research Service
UNITED STATES DEPARTMENT OF AGRICULTURE

ARS 43-74 (CD-49)

May 1958

CHANGE IN DOLLAR VALUE OF FARMLAND*

Percentages, Nov. 1957 to March 1958



U. S. DEPARTMENT OF AGRICULTURE

NEG. 58(4)-2483 AGRICULTURAL RESEARCH SERVICE

The national index of average value of farm real estate per acre advanced 1 percent to 156 (1947-49 = 100) in the 4 months ended March 1, 1958. This was 6 percent above March 1, 1957, and a record high. Values increased 2 percent or more in 25 States and were essentially unchanged in the rest. The largest increase, 7 percent, occurred in Florida. Values were at record high levels in 39 States on March 1.

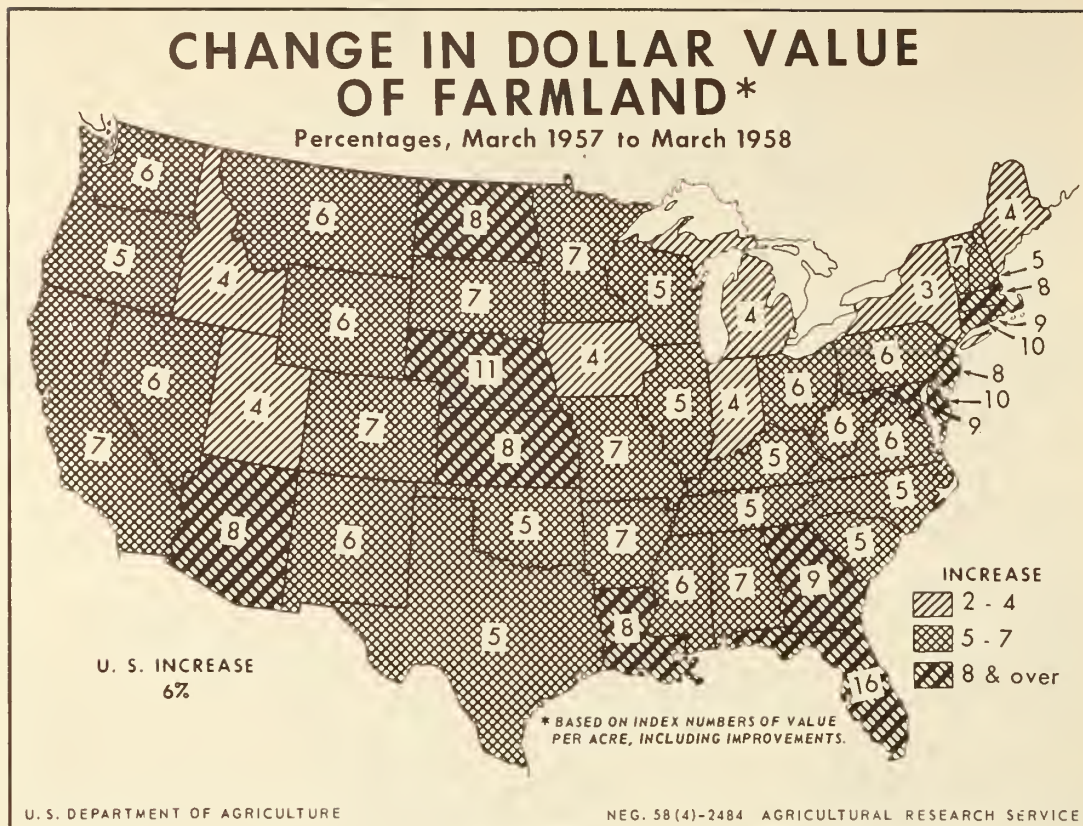


Figure 1

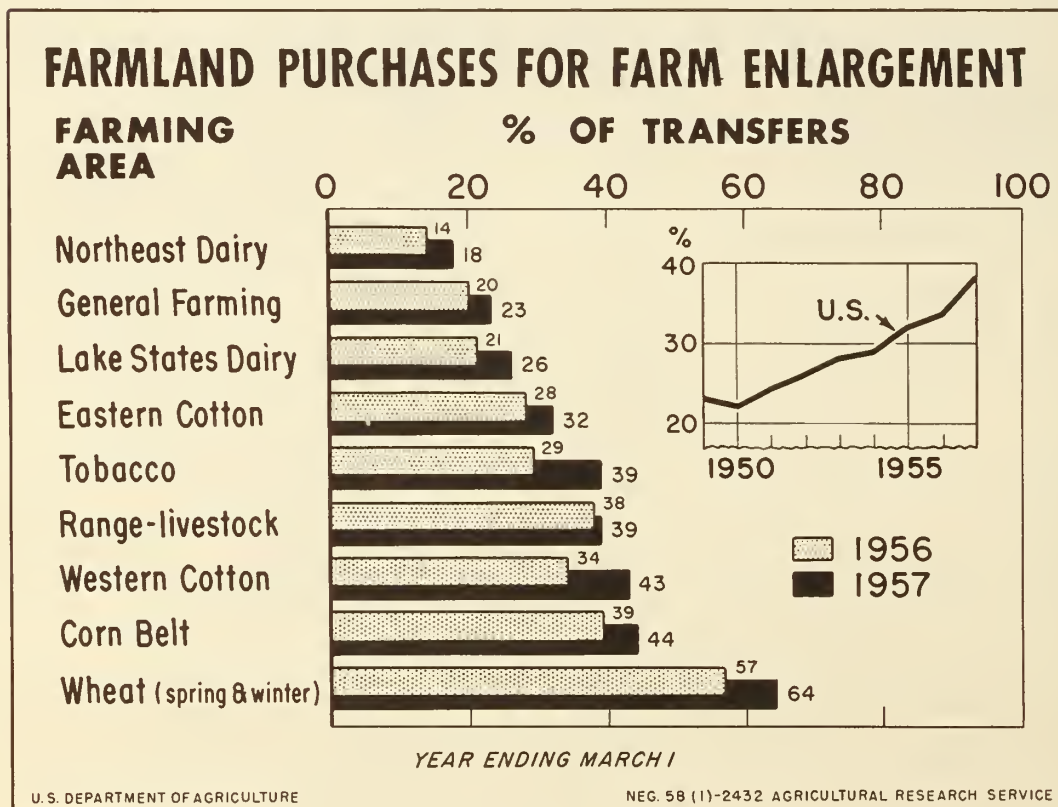


Figure 2

CURRENT DEVELOPMENTS IN THE FARM REAL ESTATE MARKET

November 1957 - March 1958

Approved by the Outlook and Situation Board, May 6, 1958

SUMMARY

Farm real estate values advanced 2 percent or more in 25 States during the 4 months ended March 1, 1958. In the rest of the States, values were essentially unchanged. Sharpest increases during the winter occurred in Florida, Louisiana, and several Northern Plains States, where the increase was 4 percent or more. The national index advanced 1 percent to a record high level of 156 (1947-49=100). This was 6 percent above the March 1, 1957 level.

During the year, values increased by 5 percent or more in 41 States. Two groups of States stand out with gains of 8 percent or more. One group consists of the Atlantic Coast States extending from Maryland to Massachusetts. The other includes 3 of the Northern Plains States - North Dakota, Nebraska, and Kansas.

The market value of farm real estate (land and buildings) advanced to \$116.3 billion or \$100.39 per acre on March 1, 1958, up \$6.8 billion from a year earlier. Net income available as a return to real estate increased substantially more than market values between 1956 and 1957. The rate of return advanced from 2.5 percent on the 1956 value to 3.0 percent on the 1957 value. The further rise in market values since 1957 may reduce the rate of return for 1958 a little below the 1957 level. The average rate for the last 3 years is the lowest since 1932-34 and about the same as 1910-15.

Approximately 23 percent, \$26.9 billion, of the March 1, 1958 total value represents the value of farm buildings. Building values advanced in all regions during 1957 and on March 1, 1958, averaged slightly more than \$5,600 per farm, 10 percent higher than a year earlier.

The recession in nonfarm business activity has thus far had little effect on the farm real estate market for at least two reasons. One, the agricultural sector of the economy has not been as adversely affected recently as have other sectors; and two, the farm real estate market reacts slowly to moderate changes in nonfarm business activity.

The number of farms on the market continues to be low. Inquiries for farmland, a measure of demand, were somewhat less this spring than in 1957. Farm real estate reporters expected prices of farmland to decline slightly in the summer and early fall of 1958.

A smaller proportion of farm sales was financed with some form of credit during 1957 than during the preceding year. Preliminary data show that 65 percent of farm purchases were credit financed during 1957, down 2 percentage

points from a year earlier. The debt incurred on credit purchases during 1956 amounted to 63 percent of the purchase price. This is the highest debt ratio recorded since estimates were started in 1944. Interest rates on farm mortgages have declined in recent months in response to lower rates in central money markets. By May 1, 1958, 11 of the 12 Federal land banks had reduced their rates a half percent or more.

Voluntary sales of farm real estate occurred at about the same rate in 1957 as in the previous year. The rate of 31.1 per 1,000 farms for the year ended March 15, 1958 was only a little above the recent low reported for 1953-54. The number of distress transfers for 1957-58 was slightly below the previous year and near the lowest of record. Transfers by various other means, chiefly estate settlements and gifts, increased slightly in the latest 12-months period.

About two-thirds of all sales and purchases of farmland were made by farmers in the year ended March 1, 1957; this was about the same proportion as a year earlier. The trend toward larger farm operating units continued. Purchases of farmland made to enlarge existing farms increased by 15 percent, and represented 38 percent of all sales during the year ended March 1957.

CURRENT MARKET SITUATION

The national index of average value of farm real estate per acre advanced approximately 1 percent during the 4 months ended March 1, 1958, to a level of 156 (1947-49= 100). Sharpest increases in value during the winter of 1957-58 occurred in Florida, Louisiana, and several Northern Plains States, where the increase was 4 percent or more. In 20 scattered States, the increase amounted to 2 or 3 percent, while in the rest, 23 States, little change occurred. This is in contrast with early 1957 when increases were more general. The rate of increase in farmland values started to slow down last November, when the national index increased only 2 percent. In each of the two previous 4-month periods, those ending March 1 and July 1, 1957, it increased 3 percent.

Annual Increase Amounts to 6 percent

The March 1, 1958, level of values was 6 percent above that of a year earlier. Increases were 4 percent or less in 7 States scattered across the country from Maine to Idaho (fig. 1). In 28 States, increases ranged from 5 to 7 percent. Annual increases were largest (8 percent or more) in several Northeastern and Southeastern States, in Arizona, and in the Northern Plains (table 1).

Values for the three types of land--irrigated, dry farming, and grazing--advanced in all of the 11 Western States during the year (table 11). Dry farming land was up the most, 8 percent, followed by grazing land, 6 percent higher, and irrigated land, up 5 percent.

Table 1.- Percentage change in index of average value of farm real estate per acre, by farm production regions, selected periods, 1956-58

Farm production region	: Change during year ending			: Change during 4 months ending		
	: March-			: March-		
	: 1956	: 1957	: 1958	: 1956	: 1957	: 1958
	: <u>Percent</u>	<u>Percent</u>	<u>Percent</u>	: <u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Northeast-----:	+6	+7	+6	: +2	+4	+1
Corn Belt-----:	+4	+7	+5	: -1	+2	+1
Lake States-----:	+6	+9	+5	: 0	+4	+1
Appalachian-----:	+3	+7	+5	: 0	+2	+1
Southeast-----:	+7	+11	+10	: +4	+4	+3
Delta States-----:	+6	+9	+7	: +3	+3	+2
Southern Plains----:	+1	+8	+5	: 0	+3	0
Northern Plains----:	+2	+2	+9	: -1	+1	+3
Mountain-----:	+1	+1	+6	: +1	+1	+1
Pacific-----:	+5	+7	+7	: +3	+2	3
United States----:	+4	+7	+6	: +1	+3	+1

Dollar Value of Farm Real Estate at New Record High

The total dollar value of farm real estate was estimated at \$116.3 billion on March 1, 1958, or \$100.39 per acre of farmland (table 2). This was a new record high level, 6 percent, or \$6.8 billion, above the previous high set in March 1957. Average values per acre continue to be highest in New Jersey with a value of \$521 per acre, followed by Rhode Island and Connecticut with \$420 and \$364 (table 12). In each of these States, the proximity to large population centers adds nonagricultural site value to much of the strictly agricultural land.

Among the more important agricultural States, values in California are highest at \$282 per acre. This is due in part to nonfarm uses, although to a lesser extent than in some of the northeastern States where total land area is much smaller.

Illinois land continues to rate second at \$273 per acre, followed by Ohio, \$234, and Indiana, \$233. Values averaged lowest in the Mountain States because of extensive areas of arid grazing and nonirrigated cropland. Irrigated land in these States is valued as high as comparable nonirrigated cropland in many Corn Belt States. The value of irrigated land has been about 4.8 times the value of dry farmland for several years. In Nebraska, irrigation of cropland from wells has expanded rapidly in recent years. The spread in values between irrigated and nonirrigated cropland is not as wide as in the more arid States to the west. Data available for the first time this year indicate that in Nebraska the price of irrigated cropland is about double that of nonirrigated cropland.

Table 2.- Farm real estate: Average value per acre and total value, United States
1850-1958 ^{1/}

Year	Value of farm real estate		Year	Value of farm real estate	
	Per	Total		Per	Total
	acre	Million		acre	Million
	Dollars	dollars		Dollars	dollars
1850-----	11.14	3,270	1930-----	48.52	47,873
1860-----	16.31	6,642	1931-----	43.72	43,730
1870-----	18.25	7,441	1932-----	36.67	37,180
1880-----	19.01	10,193	1933-----	29.98	30,802
1890-----	21.30	13,273	1934-----	30.93	32,201
1900-----	19.30	16,603	1935-----	31.54	33,264
1910-----	39.59	34,793	1936-----	32.45	34,260
1911-----	40.66	36,042	1937-----	33.31	35,213
1912-----	41.71	37,298	1938-----	33.23	35,170
1913-----	42.64	38,456	1939-----	32.17	34,085
1914-----	43.51	39,579	1940-----	31.71	33,636
1915-----	43.16	39,590	1941-----	31.94	34,400
1916-----	45.69	42,264	1942-----	34.35	37,547
1917-----	^{2/} 48.80	45,524	1943-----	37.50	41,604
1918-----	53.14	49,980	1944-----	42.83	48,200
1919-----	57.51	54,533	1945-----	47.20	53,884
1920-----	69.37	66,310	1946-----	53.31	61,046
1921-----	64.79	^{2/} 61,523	1947-----	59.62	68,463
1922-----	57.30	^{2/} 54,050	1948-----	63.96	73,664
1923-----	^{2/} 56.17	^{2/} 52,629	1949-----	66.33	76,623
1924-----	54.25	^{2/} 50,487	1950-----	64.96	75,256
1925-----	53.51	49,463	1951-----	74.92	86,798
1926-----	52.31	^{2/} 49,000	1952-----	82.87	95,995
1927-----	^{2/} 50.23	^{2/} 47,680	1953-----	83.43	96,638
1928-----	^{2/} 49.42	^{2/} 47,532	1954-----	81.76	94,688
1929-----	^{2/} 49.25	^{2/} 47,985	1955-----	85.29	98,780
			1956-----	88.63	102,652
			1957-----	94.52	109,469
			1958-----	100.39	116,268

^{1/} Farmland and buildings as of date of census enumeration for years 1850-90, 1900, 1910, 1920, 1925, 1930, 1940, and 1950, excluding District of Columbia. The 1954 census data were adjusted to March 1955 on the basis of the change in the index of average value from November 1954 to March 1955. Other years as of March 1 are interpolated by applying the change shown in the revised index of value per acre to census data. Acres in farms are interpolated from census data at 5-year intervals. Acres in farms reported by the 1954 census were used for 1955-58.

^{2/} Revised February 1958.

Wide Range in Values in California

The average value of all farmland in California, which was estimated at \$282 per acre as of March 1, is a composite of many types and grades of land. Values range from less than \$50 per acre for some grazing land to more than \$5,000 per acre for certain irrigated orchards. This wide range in farmland values results partly from the great diversity of agriculture in the State. Because of its unique location with respect to latitude, the ocean and mountain ranges, it has a climate suited to the growing of many specialty crops that require a subtropical climate, in addition to the usual crops grown throughout the western part of the country. The amount of land suitable for growing some of the specialty crops is limited to relatively small areas in which the correct combination of soil and climate is found. Prices for this land are high in relation to prices of land devoted to production of less specialized crops. Most of the acreage devoted to citrus, other tree fruits, nuts, and vegetables is irrigated.

Prices of individual tracts of land used to produce these specialty crops are subject to variation because of such factors as altitude, air and water drainage, and frequency of frost damage. Consequently, it is difficult to arrive at a representative average market value of all land producing each of the commodities. The data presented in table 3 represents the first attempt to show average values by types of land. ^{1/} The range in reported values is also shown in order to show the reliability of the averages.

Land in avocado groves has the highest value, approximately \$5,000 per acre. Land on which such extensive field crops as barley, beans, hay, corn,

^{1/} A special questionnaire was sent to reporters in California this March to obtain more specific information as to prevailing market values for the many special types of land found in this State. They were asked to give their estimates of the market value of land devoted to citrus, deciduous fruits, and vineyards as well as irrigated land used for truck and field crops. The values reported include, in addition to the land, the value of trees and vines of normal bearing age. Replies were received from about 125 reporters.

A growing population and expanding economy have intensified the encroachment of residential, industrial, and commercial uses on agricultural land in recent years. Much of the land producing specialty crops makes choice home and industrial sites, but it is not the only type of land affected. The encroachment is reflected in prices of all types of land with desirable location characteristics that is proximate to large population centers in all parts of the country, although it has been evident especially in southern California. Reporters have been instructed to exclude prices of land sold for nonfarm uses from their estimates of market value presented in this section, as well as those shown elsewhere in this report, although they comment frequently that it is difficult to do so. It is often impossible, and to some extent incorrect, to exclude completely the indirect effects of the sale of land for nonfarm uses on the market value of the remaining farmland.

Table 3.- Estimated value per acre of irrigated land used for growing specified crops, California, March 1, 1958 ^{1/}

Crop	Average : value : per acre	Range in : market : value ^{2/}		Crop	Average : value : per acre	Range in : market : value ^{2/}
	Dollars	Dollars			Dollars	Dollars
Avocados-----	4,750	4,500-5,500		Table grapes-----	1,525	1,000-2,000
Lemons-----	3,300	2,000-5,500		Raisin grapes----	1,300	1,000-1,500
Navel oranges----	2,950	1,000-4,500		Wine or juice		
Valencia oranges--	2,650	1,000-3,500		grapes-----	1,075	650-1,500
English Walnuts---	1,875	1,000-2,800		Truck and		
Apricots-----	1,800	1,000-2,400		vegetables-----	1,150	600-2,000
Peaches-----	1,600	1,000-2,500		Intensive field		
Almonds-----	1,525	800-2,000		crops ^{3/} -----	750	400-1,100
Prunes-----	1,525	750-2,000		Extensive field		
Pears-----	1,450	750-2,500		crops ^{4/} -----	550	200-1,000

^{1/} Based on estimates obtained from real estate reporters. They were asked to give their estimates of the current market value of each of the above types of land excluding nonbearing fruit acreage and the value of buildings.

^{2/} This range excludes the highest and lowest 10 percent of the reported values.

^{3/} Includes land used for growing cotton, sugar beets, rice, and similar crops.

^{4/} Includes land used for growing barley, beans, hay, corn, sorghum, etc.

and sorghums, are grown is valued the lowest, approximately \$550 per acre. Values for land producing most of the remaining specialty crops fall within these limits. Land on which citrus fruit is grown is valued higher than land used for deciduous fruits and nuts. Land used to grow table and raisin grapes is valued lower than fruit land but higher than truck and vegetable cropland. The latter type is slightly higher in value than land used for wine or juice grapes. Land for intensive field crops - cotton, sugar beets, rice - is valued next to the lowest, between land used for wine or juice grapes and that used for extensive field crops.

Value of Farm Buildings Increases

The value of all buildings on farms was estimated to be \$26.9 billion as of March 1, 1958, approximately 10 percent above the level of a year earlier. ^{2/} Nearly a third of the increase was due to an increase in the value of buildings in relation to the value of all real estate. This ratio was 23.2 on March 1, 1958, up nearly 1 percentage point from March 1, 1957, but slightly below the ratio of March 1, 1956.

^{2/} The building values discussed here represent the additional market value placed on farms because of existing buildings. They are not a "cost-of-reproduction-less-depreciation" valuation.

Although the ratio of building values to the value of all farm real estate increased in the past year, it does not seem likely that this is a permanent reversal of the steady decline shown by this ratio since 1940. Several factors contribute to such a belief. The trend toward fewer and larger farms is continuing throughout much of the country. When a farm, or tract of farmland, with buildings is absorbed by a neighboring farm, the new owner usually has little need for the additional buildings unless the farmhouse can be rented as a residence. This is evidenced in market prices for land without buildings, which are nearly as high as those for land with buildings. This market situation is especially true of the Corn Belt and Great Plains, where the pressure for farm enlargement has been strongest. Farm buildings, other than dwellings, on such properties are often allowed to depreciate or are removed in order to reduce property taxes.

Many landlords find it more profitable to rent land without buildings to established neighboring farm operators than to rent a complete farm unit. The additional rental return provided by a set of buildings is seldom large enough to cover the added cost of maintenance, repair, and taxes on improvements. Consequently many people buying land to rent to others attach little value to the buildings.

In the aggregate, these value-depressing forces have been of more than sufficient magnitude to offset the value added to farm buildings in the form of improvements to dwellings and service buildings in recent years. This trend is expected to continue as long as the demand for land for farm enlargement continues to be strong. However, the potential residential use of farm dwellings by nonfarmers as a result of improved highways and wider dispersal of the population may help to maintain or enhance their value.

Building values advanced in all regions during 1957. The increases in value were smallest in the Corn Belt, the only region where buildings made up a smaller proportion of the total value of real estate on March 1, 1958, than a year earlier (table 13). Regional comparisons of building values per farm and per acre changed little. The Northeastern States still show the highest value of buildings per farm, and have the highest proportion of the value of farm real estate represented by buildings. In these States, as well as in Michigan, Wisconsin and Virginia, buildings represent more than two-fifths of the value of farm real estate. Elsewhere east of the Plains States, buildings account for about a fourth of the total value, but in the western half of the country they seldom exceed 15 percent.

Factors That Contribute to Increased Land Values

A complex of factors has contributed to the rise in farm real estate values that has taken place during the past 4 years. Among these were inflationary pressures, demand for land and buildings for nonfarm uses, Government programs for agriculture, and the cost reduction possible from larger operating units. Many of these were present in the winter of 1957-58 and contributed to the rise in land values. However, the high level of nonfarm business activity, which has been a characteristic of the Nation's economy for the last several years, and helped sustain nonfarm demand for land, reached a peak in August 1957 and then started to decline. This reduction has been felt by most broad types of demand, but the major impact has been on durable goods, both producer and consumer.

Apparently, the recession in business activity has affected the farm real estate market very little thus far. One reason for this is that the agricultural sector of the economy has not shown effects of the decline. Substantial gains were recorded in prices and incomes to farmers in the first quarter of 1958. Prices received by farmers averaged more than 7 percent above the first quarter of 1957; in mid-March, they were at the highest level in almost 5 years and 6 percent above last August. Although prices paid by farmers have continued to reach new highs, the parity ratio has also improved. It averaged 84 in the first quarter of 1958 compared with 81 in the same quarter a year earlier. The annual rate of farm operators' realized net income in the first quarter of 1958 rose to about 13 billion dollars compared with a rate of 11.7 billion a year earlier. Although the flow of income to farmers was augmented earlier this year by delayed marketings from last year's late harvests, most of the gain in farm income reflected the current improvement in the agricultural price situation.

This improvement in the agricultural situation added a note of optimism to the farm real estate market in some sections of the country this spring. This was particularly true in areas where receipts from livestock and products, which rose 5 percent in 1957, make up a large part of total income. Largest increases in cash receipts from farm marketings and government payments generally occurred in the Plains and Mountain States (fig. 3). This was one of the areas in which the land market was strongest this spring. Values of grazing land in the 11 Western States increased by 8 percent in the 12 months ended March 1, 1958.

Farmland values were largely unchanged in the Appalachian region and in some of the southeastern States. Cash receipts in most of these States were down in 1957, mainly because of lower receipts from cotton. Nationally receipts from the sale of all crops declined 9 percent in 1957. Cash receipts from food grains were down only 4 percent, while receipts from feed crops were about the same as in 1956.

Another reason for the apparent failure of the business recession to affect land values by this spring is the fact that historically the land market has been slow to react to the ups and downs of the general economy. The current situation may be no exception. It is possible that the recession has been too short for any effect to show up in the land market.

Number of Farms On the Market Unchanged

Reporters in the March 1958 survey of the farm real estate market indicated that the number of farms offered for sale continued to be low through the winter of 1957. The distribution of reports indicating an increase, little change, or a decrease in the number of farms listed for sale this spring was nearly the same as a year earlier. More than three-fifths of the reporters indicated that little change had occurred. The rest were divided equally between those reporting increases and decreases. Indication of a decline in the number of farms on the market could be found in the Western as well as in the Middle Atlantic States. Reporters in the West South Central States, however, gave indications of a possible increase in the supply of farms in those States.

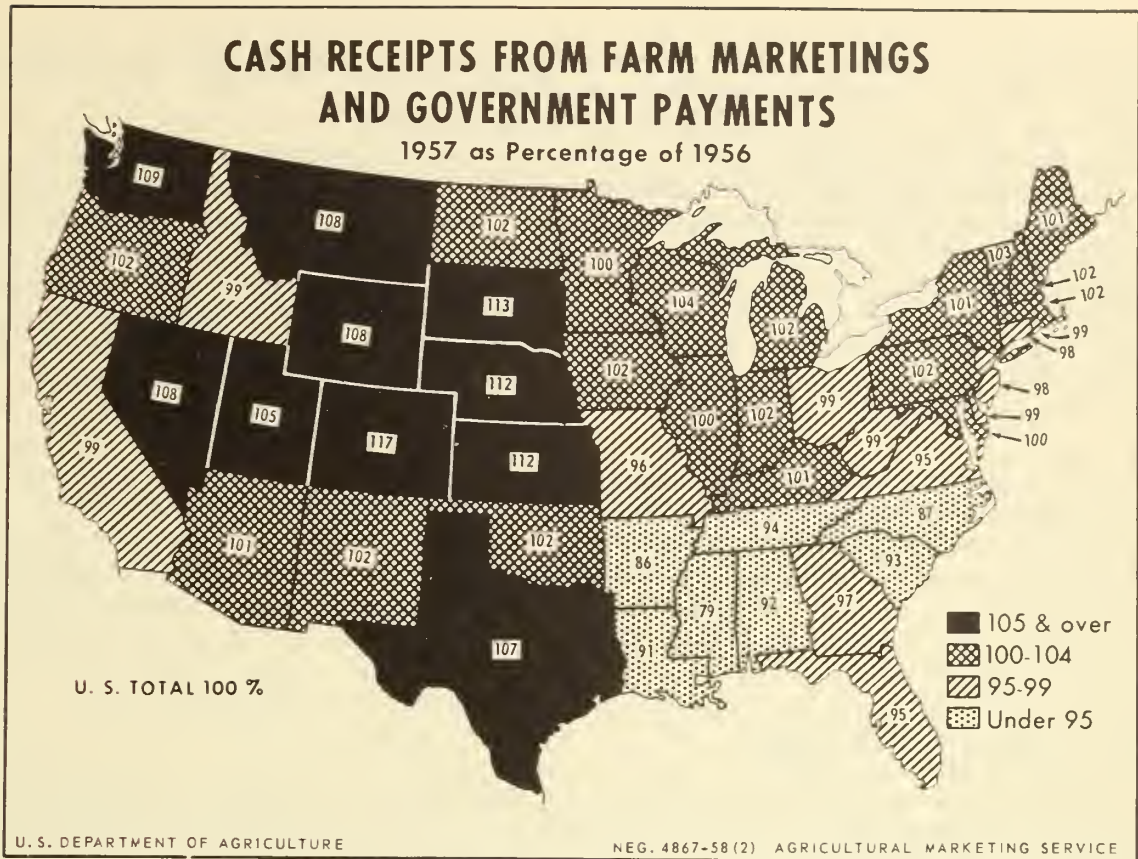


Figure 3

Inquiries for Farmland Decline

Slightly more than half of the respondents in the March survey were of the opinion that the number of people looking for farmland was unchanged from a year earlier. However, the reporters who had observed a decrease in demand for farmland out-numbered those reporting an increase. This general situation was true for all sections of the country. A year earlier, the increase-reporters exceeded the decrease-reporters in all States along the southern border of the country, in several New England States, and in Illinois, Minnesota, and North Dakota. The decline in demand was least pronounced this year in the North Central and Mountain States.

Selling Prices of Average Farms Expected To Decline

Reporters in the March 1958 survey of the farm real estate market were asked what changes in selling prices of farmland they expected during the 6 months following the survey. The consensus of opinion was that the price of average quality farms would tend to decline during the summer of 1958. Although the proportion of all reporters expecting little change in prices was about the same as in the March 1957 survey, the group expecting a decline was greater while the group expecting an increase was smaller. The main exception was made

up of reporters in the West North Central region, who were nearly equally divided between expected increases and decreases.

Reporters were asked also for their opinions relative to the expected changes in the price of "good" quality farms. Expectations of a decline in price were evident in all Eastern regions, except New England, and in the West North Central States. Possible increases were expected in the latter group while little change was anticipated in the New England area. Selling price of "poor" quality farms was expected to decline. More reporters expected decreases and fewer increases than in the March 1957 survey. Reporters were more certain of a decline in the price of poor farms than in the price of either average or good farmland.

In the Western States, reporters provided similar opinions regarding future changes in the price of irrigated, dry farming, and grazing land. In the Mountain region, little change was expected in prices of irrigated and dry farming land while prices of grazing land were expected to advance. Prices of irrigated land in the Pacific Coast States were expected to show some decline during the summer, although prices for dry farming and grazing land were expected to go higher.

Fewer Credit-financed Sales

Reporters in the March 1958 survey estimated that a slightly smaller proportion of farm sales were financed with some form of credit during 1957 than during the preceding year. The current estimate indicates that approximately 65 percent of farm purchases were credit-financed during 1957, down 2 percentage points from the March 1, 1957, level. Declines in credit-financed transfers occurred in all regions except the East South Central, where a slight increase was reported.

The reduction in credit-financed sales during the last 12 months resulted from less frequent use of mortgages to finance purchases of farmland. Declines were apparent in the northeastern quarter of the Nation and in the West South Central States. Little change occurred elsewhere.

Sales contracts continue to account for about 30 percent of all credit-financed purchases, the same proportion as in the previous year. ^{3/} Use of contracts has generally increased since estimates were started in 1946. This form of credit financing has been used most frequently in the Corn Belt, where currently approximately one-fourth of all sales are contracts for deed and in the Western States, where more than a third of all sales are on contract.

^{3/} The sales contract, or land contract, referred to in this section is a long-term contract for deed frequently used as a means of low-equity financing. Thus, it differs from the short-term option or contract to buy that is used more frequently in nonfarm real estate transactions. See page 21 for further discussion of the land contract.

Cash Sales More Frequent

A slight increase occurred in the proportion of purchases paid for in cash in the year ended March 1, 1958. Cash sales have declined from approximately three-fifths of the total in 1946 to 35 percent at present. The increase during the last 12 months was the first interruption in a steady decline starting in 1951. An increase in number of cash sales was reported in most regions this spring. Cash sales account for more than a fourth of all sales in regions outside the West, where they represent slightly less than a fifth of all sales.

Volume of Mortgage Recording Declines

The estimated amount of farm real estate mortgages recorded in the last half of 1957 declined 4 percent from the same period of 1956. The amount of Federal land bank and insurance company loans declined while loans made by banks, individuals, and miscellaneous lenders increased. The average size of loan for all lenders declined by about 1 percent.

In 1957, the annual rate of increase in farm-mortgage debt slowed materially. The estimated total outstanding on January 1, 1958, was \$10.5 billion, 6-percent higher than the January 1, 1957, total. However, the volume of loans made was lower. Rates of delinquencies and foreclosures continued low. Principal repayments declined relative to the amount of mortgages outstanding at the beginning of the year. Interest rates on farm mortgages moved upward during 1957. Most lenders were charging higher rates in the fall of 1957 than they were a year earlier. But, rates have declined in recent months in response to lower costs of loan funds in central money markets. By May 1, 11 of the 12 Federal land banks had reduced interest rates on farm mortgages by a half percent or more. The New Orleans bank kept its rate unchanged.

CHANGES IN FARM OWNERSHIP

Total transfers of farm real estate by all methods were at the rate of 48.0 per 1,000 farms in the year ended March 15, 1958, an increase of 0.2 per 1,000 farms from the rate of the previous 12 months. This is only slightly above the rate of 44.1 per 1,000 farms for the year ended March 15, 1953, which was the lowest since records were started in 1926. Total transfers reached a record high in the year ended March 15, 1933, with a rate of 93.6 per 1,000 farms, but two-fifths of these were distress transfers which resulted in foreclosures, assignments, bankruptcies, or related defaults.

Little Change in Voluntary Transfers

Voluntary sales of farmland occurred at about the same rate during 1957 as in the previous year (table 4). The rate of transfers for the 12 months ended March 15, 1958, is estimated at 31.1 per 1,000 farms compared with a rate of 31.4 for the previous 12 months. Voluntary sales of farmland reached a peak in 1946 and 1947 when the rate exceeded 57 per 1,000 farms. These rates were more than $3\frac{1}{2}$ times the low level recorded in the depression years of

Table 4.- Voluntary transfers of farm real estate: Estimated number per 1,000 of all farms, years ending March 15, 1957-58 ^{1/}

Farm production region	: : 1953 :	: : 1954 :	: : 1955 :	: : 1956 :	: : 1957 :	: : 1958 :	: Change, : 1957 to : 1958
	: Number : per : 1,000	: Number : per : 1,000	: Number : per : 1,000	: Number : per : 1,000	: Number : per : 1,000	: Number : per : 1,000	: Percent
Northeast-----	34.4	31.2	32.1	33.8	31.8	32.5	2
Corn Belt-----	31.7	28.0	29.4	30.5	29.5	31.9	8
Lake States-----	32.8	29.6	34.5	33.3	33.8	34.7	3
Appalachian-----	27.5	24.2	25.0	25.9	24.1	23.0	- 5
Southeast-----	35.9	32.2	29.6	33.2	35.6	31.7	-11
Delta States-----	36.7	29.1	30.1	30.8	32.3	29.1	-10
Southern Plains-----	36.7	33.3	37.8	34.3	29.5	29.5	0
Northern Plains-----	29.3	23.7	26.1	25.4	24.7	25.2	2
Mountain-----	45.2	37.0	41.5	39.8	37.5	39.1	4
Pacific-----	54.7	48.6	56.6	59.3	55.6	52.4	- 6
United States-----	34.2	29.9	31.9	32.4	31.4	31.1	- 1

^{1/} Includes contracts to purchase, but not options.

the 1930's. The number of voluntary sales has declined rather steadily since the 1947 peak (fig. 4). Approximately 140,000 farms changed ownership by voluntary means during the 12 months ended March 1958, compared with 142,000 farms for the comparable period ending in 1957.

The rate of voluntary transfers during 1957 declined approximately 10 percent in the Delta States and the Southeast. Transfers in the Appalachian region were down 5 percent; in the Pacific Coast States, a drop of 6 percent was recorded. No change occurred in the rate of voluntary transfers in the Southern Plains while the Northern Plains showed a 2-percent increase. The Northeastern States showed about the same increase, while transfers in the Lake and Mountain States advanced 3 and 4 percent, respectively. The rate was 8 percent higher in the Corn Belt.

Farm Foreclosures Continue To Decline

The rate of foreclosures, including assignments to avoid foreclosure, bankruptcies, and related defaults, continued to decline during the 12 months ended March 15, 1958. The rate of 1.7 farms per 1,000 was below last year's level of 2.0 farms per 1,000 and equal to the rate recorded in early 1954. The rate of farm foreclosures reached an all-time low of 1 farm per 1,000 in the 12 months ended March 1948. A small but steady increase occurred until early 1956 when the rate was 2.3 farms. The frequency of these transfers has been at a relatively low level since the early forties. The peak in distress transfers of this type was reached during 1932 and early 1933 when the rate was nearly 39 farms. Applying the current rate of foreclosures to the estimated

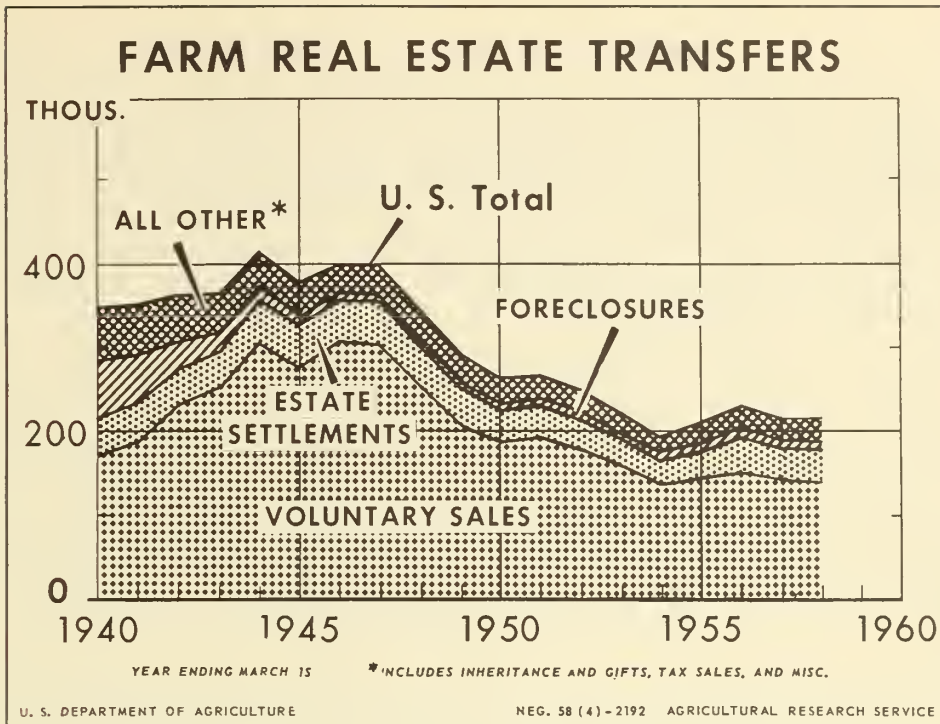


Figure 4

number of farms indicates that approximately 7,500 distress transfers occurred during the year ended March 1958. A year earlier, the number was estimated at 9,000. In the most recent 12 months, the rate of foreclosure was unchanged in the Northeast and Pacific regions but was somewhat higher in the Corn Belt and Lake States (table 14). In the remaining 6 regions, distress transfers were at a lower rate, and in the Delta States they were the lowest of record.

Other Classes Of Transfer Increase

Transfers of the ownership of farmland by various other methods increased during 1957 and early 1958, chiefly because of more frequent sales by administrators and executors and a greater number of inheritance and gift transfers. The rate of sales of farmland to settle estates (sales by administrators and executors) was 8.9 farms per 1,000 during the year, a slight increase from the rate of 8.7 during the previous 12 months. Transfers of this type have remained relatively stable, ranging between 6 and 9 per 1,000 farms for some years. Transfers of ownership by inheritance and gift were estimated to occur at the rate of 4.1 per 1,000 farms, up slightly from the March 1, 1957, rate of 3.6 farms. Tax sales occurred at the same level in 1957 as a year earlier, 0.7 per 1,000 farms. Transfers of this type have occurred at a rate of less than 1 per 1,000 farms since 1945. During 1950 and again in 1952, the all-time low rate of 0.3 farms was established. These rates are very low, particularly when they are compared with the record high rate of 15.3 farms during 1932. Miscellaneous and unclassified transfers continued at about the same rate as in recent years, 1.5 per 1,000 farms.

SALES OF FARM REAL ESTATE

The average sale price of a sample of sales of farmland made during the 12 months ended March 1, 1957, was lower in 7 major type-of-farming areas and higher or unchanged in 5 others. 4/ The most pronounced decline occurred in the western range livestock areas, which were hit by drought during the summer of 1956. Elsewhere, the declines were small. Sales prices advanced in the Northeast, eastern Corn Belt, and eastern and western cotton areas. In the western Corn Belt, the average sale price was unchanged.

Any change in average selling price is a result not only of changes in value but also of changes in the distribution of land of different qualities that is sold in each period. During 1956-57, this distribution was virtually unchanged if data for the eastern areas are pooled. Differences between areas were noted, however. The proportion of sales consisting of "average" quality land was higher in 8 areas and lower in 6, while the average price was higher in all except the winter wheat, western Corn Belt, and eastern cotton areas. In the latter two areas the price was unchanged from a year earlier.

Sales classified as "poor" quality land showed little change in 8 areas, but were relatively more frequent in the northern part of the Lake States and general farming area. Prices strengthened in several areas, mainly in the eastern Corn Belt, winter wheat, eastern and western cotton, and eastern tobacco areas.

Sales of "good" quality land were about as frequent in the western cotton, winter wheat, and Lake States dairy areas. In the northern part of the Lake States, and the eastern sections of the Corn Belt, cotton and tobacco areas, farmland considered to be of good quality made up a higher proportion of the total, while sales of this kind of land were less frequent in the remaining 7 areas. Declines in the price of good quality land were evident in the Lake

4/ Much of the material presented in this and succeeding sections of the report is based on a sample of from 10,000 to 12,000 sales of farm real estate reported by dealers and others familiar with the farm real estate market, in mail surveys conducted in March of each year. The reporters provide the only source of detailed information, on a regional or national scale, concerning the conditions that surround sales of farm real estate. These include such items as prices, terms of financing, type of buyer and seller, and quality of land and buildings. These data are summarized by States and major type-of-farming areas, which follow crop-reporting-district boundaries.

Changes from year to year in average sales prices of farmland need not agree with the changes in market value expressed by the indexes of average value. Sales prices relate only to the relatively few farms that are sold each year, while the index measures changes in the estimated market value of all farmland. Changes in the quality and quantity of land sold in any area from year to year often obscure or distort the general trend in market values.

States, general farming, western Corn Belt, winter wheat, and central and western cotton areas. Prices were higher only in the eastern parts of the Corn Belt and cotton areas. Thus, the general tendency for selling prices of farmland of good quality to show more strength than prices of land of lower quality, which was noted from 1954 through the early part of 1956, was arrested in several areas by the spring of 1957.

In the Western regions, prices of irrigated land were higher in the southern range livestock and California specialty areas but lower elsewhere. Prices of dry farming land were lower in all except the northwestern wheat area; prices of grazing land were lower in all of the western areas.

Range in Sale Prices

Table 5 contains the average sale price for farmland sold in some of the major type-of-farming areas. To provide a measure of the representativeness of these averages as a measure of the average market value of all land, the dollar range in reported sales prices is shown also. ^{5/} This range tends to be widest in areas with the highest average, the eastern Corn Belt, and narrowest where the average is lowest, the spring wheat area. But, when the dollar range is related to its average price per acre, the lowest average prices tend to show the largest relative variation while the high averages show lower relative variation.

Type of Buyer

Farmers continued to be the chief group of buyers of farmland in the year ended March 1957; they bought 64 percent of all farms and parcels of farmland sold. This is nearly the same as in the previous 12 months. Within the farmer-buyer group, tenant purchases declined slightly from 22 percent of all purchases in 1955-56 to 20 percent in 1956-57 (table 6). This decline was evident in all regions except the Northeast. Owner-operators bought more than a third of all farms sold in each area, and in the Appalachian, Plains, and Western regions, their purchases amounted to two-fifths or more of the total. Nonfarmer buyers were somewhat more active in the farm real estate market during the year, in the Southern and Mountain regions. Purchases by this group made up a smaller proportion of the total in the Northeast and Pacific regions. Elsewhere, their purchases were at about the same level as a year earlier.

^{5/} Average sales prices of farms sold within an area are used frequently as a guide in appraising individual farms, in comparing levels of values between areas and as a basis for evaluating tax assessments. When average sales prices are used for such purposes, it must be recognized that the prices from which an average are computed can vary over a wide range. The representativeness of an average depends to a large degree upon this variation. One way to express this variation is to array the individual items and thus show the maximum range. This array can be more useful, as it will show less random fluctuation, if parts of the extremes are disregarded. It is this type of range that is shown in table 5.

Table 5.- Farm real estate: Average price of farmland sold, range in prices, and average price by quality of land sold, selected type-of-farming areas, 1956-57 ^{1/}

Type-of-farming area	Number of sales	All sales		Average price per acre		
		Average price per acre ^{2/}	Range in prices ^{3/}	Poor land	Average land	Good land
	Number	Dollars	Dollars	Dollars	Dollars	Dollars
Northeast dairy-----	679	162	40 - 485	87	142	193
Lake States dairy-----	842	150	50 - 335	76	129	183
General farming-----	1,104	108	30 - 275	44	103	148
Eastern corn belt-----	1,067	322	145 - 550	165	279	401
Western corn belt-----	1,962	162	60 - 335	84	138	161
Spring wheat-----	591	37	20 - 115	22	32	59
Winter wheat-----	551	98	35 - 245	57	88	129
Eastern cotton-----	341	63	30 - 140	35	52	87
Central cotton-----	405	97	33 - 245	63	94	105
Western cotton-----	514	92	40 - 200	68	79	116
				Grazing land	Dry farming land	Irrigated land
Northern range livestock-----	595	38	---	18	66	144
Southern range livestock-----	227	45	---	20	41	217

^{1/} Based on a sample of sales of farm property reported by farm real estate dealers and other reporters in a March 1957 survey. Most of the sales probably took place during the 6 months preceding the date of the survey.

^{2/} Total consideration divided by total acres sold.

^{3/} This range excludes the highest and lowest 10 percent of the sales. The price per acre for approximately 80 percent of all tracts of farmland sold was within the range indicated for each type-of-farming area.

Local residents (those living in the same or adjoining county in which the farm was located) bought 78 percent of the farms and parcels of farmland sold, a slight increase from the previous year. A larger proportion of farms in the Northeast, West Central, and Pacific States were bought by local residents, than in the previous years. In the latter region, where nonfarm influences on farmland are prevalent, nonresidents bought nearly a third of all farms and parcels sold. Elsewhere they accounted for less than a fourth and in the West North Central and East South Central States, they bought less than a fifth of the farms and parcels of land sold.

Type of Seller

Farmers have been of increasing importance as sellers of farm real estate, rising from less than 50 percent of all sellers in 1940 to nearly 70 percent in

Table 6.- Farm real estate transfers: Percentage distribution by type of buyer and seller, United States, years ending March 1, 1952-57 ^{1/}

Type of buyer or seller	: 1952	: 1953	: 1954	: 1955	: 1956	: 1957
	: Percent	: Percent	: Percent	: Percent	: Percent	: Percent
Buyer:						
Tenant-----	24.8	23.7	23.7	24.1	21.7	19.9
Owner-operator-----	38.3	38.3	38.1	38.7	37.9	39.9
Retired farmer-----	4.7	4.3	4.3	4.4	4.9	4.2
Non-farmer-----	32.2	33.7	33.9	32.8	35.5	35.9
Total-----	100.0	100.0	100.0	100.0	100.0	100.0
Seller:						
Active farmer-----	55.2	54.3	51.6	53.9	51.6	50.7
Retired farmer-----	15.0	14.4	15.0	15.8	17.0	18.2
Estate-----	14.1	15.5	16.4	14.9	16.1	15.3
Lending agency-----	0.6	0.7	0.7	0.5	0.5	0.3
County, State, or Federal government-----	0.6	0.5	0.4	0.3	0.6	0.4
Other-----	14.5	14.6	15.9	14.6	14.2	15.1
Total-----	100.0	100.0	100.0	100.0	100.0	100.0

^{1/} Weighted by the estimated total number of transfers at the farm production region level.

1946. Minor fluctuations around this level continued through the spring of 1957 when farmers made up 69 percent of all sellers. The most recent figure is nearly unchanged from the March 1956 level. A slight decline in sales by active farmers during the year was offset by an increase in number of sales by retired farmers. Active farmers accounted for approximately 51 percent of all sales during 1956-57; retired farmers for 18 percent. Active farmers declined in importance as sellers of farm real estate in the Northeast, Corn Belt, Plains, and Pacific regions. Sales by this group increased only in the Appalachian and Southeast regions. Retired farmers, however, were more active sellers in all except the Appalachian, Southeast, and Pacific regions.

Nonfarmer sellers of farm real estate have declined in importance. They sold nearly 50 percent of the farms transferred in 1940, but in the year ended March 1, 1957, they accounted for only 18 percent of all sales. The decline was due largely to a decline in sales by lending agencies. In the early forties, institutions of this kind, particularly insurance companies, had large inventories of farms they had acquired by foreclosure in the previous decade. Although most of these properties had been sold by 1944, a few have changed hands each year since. During 1956-57, sales by lending agencies amounted to less

than 1 percent of all sales. In recent years, the most important group of nonfarmer sellers has been made up of individuals. This group accounted for 15 percent of all sales in the 12 months preceding March 1957. This was a slight increase from the previous year. Nationally, sales of farms to settle estates accounted for 15 percent of the transfers in the year ended March 1957. In some areas, these sales represent a significant part of the total number of market transactions.

Farm Enlargement Accelerates

The trend toward larger farm operating units, which has been apparent for several years, had not abated by the spring of 1957. Sales data show that it accelerated during the latter part of 1956 and early 1957. The proportion of all tracts and farms sold that became parts of farms after sale represented 38 percent of all sales in March 1957 (table 7). A year earlier, the proportion was 33 percent. This is the sharpest annual increase in this series since its origin in 1949 and is the highest level recorded. This farm-enlargement process was apparent in all major type-of-farming areas during 1956-57 (fig. 2). It has contributed most to the farm real estate market in the wheat areas where the proportion of purchases for enlargement currently make up nearly 65 percent of all transfers. The increase in such purchases was most pronounced during the year in the tobacco areas, although sharp increases were reported also from the western cotton, Lake States dairy, and northeastern dairy areas.

Credit-financed Purchases

The use of credit to finance the purchase of farms continued to increase during the year ended March 1957. The increase was due mainly to an increase in the amount of debt incurred per transfer, as the proportion of sales that were credit financed was unchanged (table 8). For the country as a whole, 67 percent of all sales reported involved some form of credit during 1956-57, the same as in the previous year. Credit purchases occurred more frequently this year in the Northeast, Lake States, and Pacific regions. Buyers of farmland in the Corn Belt used credit at about the same rate as last year, while in the remaining regions, the frequency of credit financing was somewhat lower. As in the last several years, credit has been used most frequently in the Lake States and Mountain regions, where more than three-fourths of the sales involved some form of credit. The Northern Plains and Appalachian regions continue to show the lowest rate of credit buying.

The debt incurred on credit purchases amounted to 63 percent of the purchase price. This was two percentage points higher than the 1955-56 ratio. The current level is the highest recorded since estimates were started in 1944. Largest increases in the ratio were shown for the Corn Belt, Lake States, and Delta States. The average debt per acre on farms and tracts of land that were credit-financed increased in all except the wheat, central cotton, and western range livestock areas (table 9).

Credit sales were classified into 4 groups according to the amount of debt in relation to the purchase price. Nearly 31 percent were found to have debts of 75 percent or more, a slight increase from the previous year. The amount of

Table 7.- Farm purchases: Percentage for farm enlargement, selected major type-of-farming areas, 1949-57 1/

Type-of-farming area	Average 1949-52	1953	1954	1955	1956	1957
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Northeast dairy-----	12	16	16	15	14	18
Lake States dairy-----	15	17	19	20	21	26
General farming-----	18	19	18	21	20	23
Eastern corn belt-----	27	33	33	40	41	45
Western corn belt-----	26	30	31	34	38	43
Wheat areas (eastern)-----	47	49	50	57	57	64
Western cotton-----	28	30	32	37	34	43
Burley tobacco-----	13	20	19	29	27	38
Western range livestock-----	30	32	36	37	38	39
United States-----	24	28	29	32	33	38

1/ Based on a sample of sales reported in March surveys. Most of the sales probably occurred during the 6 months preceding the date of the survey.

debt incurred in this group of sales accounted for nearly 40 percent of the total new debt incurred in connection with land purchases. Nearly 50 percent of the total debt was accounted for by purchases with debt ratios of 50 to 75 percent. Less than a fourth of the credit sales had debts of less than 50 percent. The relatively heavy concentration of new debt in the high-debt-ratio group of sales indicates that, if farm earnings were to decline sharply, a substantial number of the buyers could be vulnerable to financial difficulties. However, it is known that in many instances in which credit purchases show large debts, the buyer has other debt-free real estate or other sources of income that might be used to retire debt.

A part of the increase in the proportion of the purchase price represented by credit is due to the increased use of purchase contracts, which usually require 30 percent or less of the purchase price as downpayment. In 1946, approximately 10 percent of all purchases were financed with a contract for deed. The proportion has increased steadily since that time and is currently about 20 percent. A land contract differs from a mortgage primarily in the fact that legal title to the land remains with the seller until all payments on the contract have been completed, or until a specified percentage of the total price has been paid. The buyer may then receive a deed to the land and finance the balance, if any, with a conventional mortgage to the seller or other lender. Because of differences in State law governing the legal status of land contracts, the frequency and desirability of using this method of land transfer vary considerably.

Table 8.- Credit-financed transfers: Proportion of all sales, and ratio of debt to consideration, farm production regions and United States, years ending March 1, 1953-57 ^{1/}

Farm production region	Proportion of all sales credit-financed					Ratio of debt to consideration				
	1953	1954	1955	1956	1957	1953	1954	1955	1956	1957
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Northeast-----	65	69	70	72	74	60	62	62	63	65
Corn Belt-----	62	63	65	70	70	49	51	52	55	62
Lake States-----	73	75	75	78	79	59	61	61	62	67
Appalachian-----	48	51	54	58	56	56	59	59	60	63
Southeast-----	52	54	60	60	59	64	66	66	70	69
Delta States-----	56	59	62	64	62	59	62	66	61	66
Southern Plains---	57	60	59	70	66	56	57	55	58	62
Northern Plains---	52	52	53	58	56	51	56	57	58	58
Mountain-----	65	66	68	73	72	61	61	64	67	66
Pacific-----	70	70	74	72	78	59	60	61	64	63
United States---	60	62	64	67	67	56	59	59	61	63

^{1/} Based on a sample of sales of farm property reported by farm real estate dealers and others in March surveys. Most of the sales probably took place during the 6 months preceding the date of the survey.

Table 9.- Credit-financed transfers: Proportion of all sales, ratio of debt to consideration and average debt per acre, selected type-of-farming areas, 1955-57 ^{1/}

Type-of-farming area	Proportion of all sales credit-financed			Ratio of debt to consideration			Average debt per acre		
	1955	1956	1957	1955	1956	1957	1955	1956	1957
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Dol.	Dol.	Dol.
Northeast dairy-----	71	70	72	61	61	64	78	82	89
Lake States dairy-----	76	79	81	61	62	65	88	95	96
General farming-----	54	63	58	56	56	62	69	65	68
Eastern corn belt-----	66	65	71	51	51	52	133	136	155
Western corn belt-----	65	68	66	53	55	58	78	93	98
Spring wheat-----	56	66	63	67	68	67	23	24	29
Winter wheat-----	52	58	54	52	56	56	54	63	63
Eastern cotton-----	61	59	52	66	70	69	40	45	53
Central cotton-----	62	66	61	66	60	70	60	64	61
Western cotton-----	59	69	63	56	57	60	38	36	56
Northern range-----									
livestock-----	67	69	69	63	65	63	22	30	23
Southern range-----									
livestock-----	62	68	71	66	66	63	44	46	36
California specialty---	72	66	76	59	63	64	230	199	194

^{1/} See footnote, table 8.

Part of the increase in the average amount of new debt incurred in connection with land purchases arises because of the marked increase in the proportion of all sales that are made in connection with farm enlargement. In these situations, the buyer often includes his existing farm as security, along with the land to be added. Thus the apparent debt on the tract bought may appear to be large, but may be low in relation to the total assets of the borrower.

RATE OF RETURN ON FARM REAL ESTATE

Market forces create a value for farm real estate in much the same way that they do for other resources. 6/ Past and current earnings, together with certain subjective considerations, provide a basis for estimating future returns that are capitalized into market values. 7/ The basis for the capital value of farm real estate, in the aggregate, is more nearly comparable to the basis for the capital value of common stocks than of bonds. Both landowners and stockholders are residual claimants to earnings after all other costs are paid.

With the current market value of all farm real estate at a record high of \$116.3 billion, a comparison of the rate of return realizable on this capital value with rates in earlier periods and with other types of capital may be helpful in estimating possible future trends in the value of land. It should also reveal the extent to which factors other than current returns to land have been capitalized into market values.

There is no entirely satisfactory basis for determining the part of net farm income that is return to real estate and the part that is return to labor and management and to non-real-estate capital. However, an approximation of the return to any one factor can be made by deducting a charge for the other two. The estimates that result are residual returns, rather than actual

6/ Although valuation theory usually distinguishes between land and the capital represented by buildings and other permanent improvements that have been incorporated with land, the market ordinarily does not evaluate these components separately. Any allocation of the total value of the farm real estate "package" to its separate parts would be arbitrary. Consequently, the terms "farm real estate" and "land" are used interchangeably in the interest of brevity.

7/ The estimated return to land discussed here is limited to the income derived from agricultural production. Although this income provides the major basis for agricultural values, several other kinds of return can be realized from the ownership of land. These secondary returns are largely subjective and cannot be measured readily, but they are often an important determinant of market values. Expectation of capital appreciation is probably the most important of these. It is based upon the expected demand for land for living space for an expanding population, or upon the needs for more food and fiber, or both. Market forces in recent years have tended to capitalize a part of this expected rise in values into current prices.

earnings, and their magnitude depends upon the basis used for determining the "cost" of the factors to be allowed for. 8/ If residual returns to labor are to be determined, the prevailing interest rate can be used to find the "cost" of real estate and operating capital. Conversely, the cost of operator and family labor can be estimated by applying the prevailing cash wage rate for hired farm labor to the man-hours of operator and unpaid family labor. A charge for non-real-estate capital can be made by applying the prevailing interest rate for short-term loans to the total market value of livestock, machinery, and equipment. 9/ A charge for management and for interest on working capital would improve the estimate of net returns to real estate, but suitable data are not available.

Return to Land in 1957 Lowest Since 1934

When the income remaining as a return on the market value of farm real estate is computed as indicated, a rate of 3.0 percent is obtained for 1957. Preliminary estimates show that the rate may be a little less in 1958. Both of these rates are the lowest since 1934 and about the same as the average for 1910-15. After reaching an all-time peak of 13.8 percent in 1942, the rate dipped to about 7.2 percent in 1944-45 and then increased to 12.0 percent in 1948 (table 10). Since 1948, the trend in market values of farm real estate has been counter to the trend in income available to land. The rate of return to land has been below the 1957 level in only 18 of the last 48 years and most of these years were in the 1920-33 period. The average rate for the entire 48-year period was 4.8 percent, whereas the average interest rate on farm mortgages was 5.3 percent.

Several general conclusions may be drawn from the long-term trend shown by these estimates of the return available for farm real estate. First, it is apparent that net returns to land have fluctuated considerably more than have interest rates and earnings on common stocks (fig. 5). In those periods when the rate of return on real estate was below the mortgage rate of interest, as in 1910-16, 1920-34 and 1953-57, farm families would have received less than the prevailing cash wage rate for their labor if they had paid the going rate of interest on the market value of real estate. These were periods in which it was more difficult to retire mortgage debt from farm earnings. Conversely, in such periods as 1917-19 and 1935-52, when returns to land were above the mortgage interest rate, farm families would have received more than the prevailing cash wage rate.

8/ Net rents received by owners of rented land provide a measure of return to land that has certain advantages over residual estimates of income to land. However, estimating procedures are more complex and no reliable estimates of net rents are available for recent years.

9/ Net income originating in agriculture, which consists of net income of farm operators, wages paid hired labor, interest on farm mortgage and non-real-estate debt, and net rent to nonfarm landlords, was used as a starting point in these calculations. A wage equivalent for the total number of man-hours of labor used in farm production and interest on the inventory value of livestock, machinery, and equipment was deducted to obtain the amount remaining as a return to farm real estate.

Table 10.- Net returns available for all physical assets in agriculture and for farm real estate, United States, 1910-57

Year	Net income from agriculture	Allowance for all farm labor ^{1/}	Return to all farm capital	Allowance for non-real-estate capital ^{3/}	Return to real estate capital	Return on market value All farm capital ^{4/}	Farm real estate
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
1910-----	5,643	3,608	2,035	499	1,536	5.0	4.4
1911-----	4,867	3,683	1,184	525	659	2.8	1.8
1912-----	6,014	3,964	2,050	497	1,553	4.7	4.2
1913-----	5,340	3,914	1,426	552	874	3.1	2.3
1914-----	5,805	4,034	1,771	573	1,198	3.7	3.0
1915-----	6,001	3,951	2,050	585	1,465	4.3	3.7
1916-----	6,519	4,159	2,360	587	1,773	4.7	4.2
1917-----	10,849	5,463	5,386	638	4,748	9.8	10.4
1918-----	11,750	6,981	4,769	781	3,988	7.8	8.0
1919-----	12,314	8,034	4,280	838	3,442	6.4	6.3
1920-----	11,153	9,598	1,555	821	734	2.0	1.1
1921-----	5,947	5,755	192	715	- 523	0.3	- 0.8
1922-----	6,936	5,725	1,211	566	645	2.0	1.2
1923-----	7,810	6,686	1,122	566	556	1.8	1.1
1924-----	7,638	6,997	641	548	93	1.1	0.2
1925-----	9,437	7,140	2,297	534	1,763	4.0	3.6
1926-----	8,640	7,163	1,477	556	921	2.6	1.9
1927-----	8,452	6,884	1,568	571	997	2.8	2.1
1928-----	8,695	7,007	1,688	592	1,096	3.0	2.3
1929-----	8,860	7,179	1,681	645	1,036	2.9	2.2
1930-----	6,639	6,647	- 8	648	- 656	0.0	- 1.4
1931-----	5,235	5,154	81	533	- 452	0.2	- 1.0
1932-----	3,529	3,617	- 88	427	- 515	- 0.2	- 1.4
1933-----	4,015	3,383	632	336	294	1.7	1.0
1934-----	4,477	3,237	1,240	326	914	3.3	2.8
1935-----	6,959	3,789	3,170	342	2,828	8.1	8.5
1936-----	6,083	3,884	2,199	460	1,739	5.3	5.1
1937-----	7,896	4,861	3,035	455	2,580	7.1	7.3
1938-----	6,179	4,321	1,858	466	1,392	4.3	4.0
1939-----	6,342	4,343	1,999	471	1,528	4.7	4.5
1940-----	6,526	4,293	2,233	475	1,758	5.3	5.2
1941-----	8,973	5,214	3,759	497	3,262	8.8	9.5
1942-----	12,930	7,091	5,639	641	5,198	12.0	13.8
1943-----	15,333	9,312	6,021	829	5,192	10.7	12.5
1944-----	15,461	11,068	4,393	842	3,551	7.0	7.4
1945-----	16,165	11,476	4,689	842	3,847	6.8	7.1
1946-----	19,226	11,991	7,235	804	6,431	9.5	10.5
1947-----	20,116	12,335	7,781	918	6,863	9.1	10.0
1948-----	22,517	12,519	9,998	1,131	8,867	10.7	12.0
1949-----	17,368	11,291	6,077	1,354	4,723	6.0	6.2
1950-----	18,226	10,529	7,697	1,374	6,323	7.8	8.4
1951-----	21,022	12,037	8,985	1,736	7,249	7.7	8.4
1952-----	20,021	12,309	7,712	2,034	5,678	5.9	5.9
1953-----	17,962	12,306	5,656	1,780	3,876	4.5	4.0
1954-----	17,309	11,790	5,519	1,605	3,914	4.5	4.1
1955-----	16,475	11,941	4,534	1,548	2,986	3.6	3.0
1956-----	16,428	12,192	4,236	1,634	2,602	3.3	2.5
1957-----	17,066	12,008	5,058	1,825	3,233	3.7	3.0

^{1/} Net income of farm operators (including inventory changes) plus wages paid hired farm labor, interest on farm-mortgage and non-real-estate debts and net rent paid to nonfarm landlords.

^{2/} Average cash wage rate per hour multiplied by the total man-hours required for agricultural production.

^{3/} Inventory value, January 1, of all livestock and farm machinery and equipment, multiplied by the average interest rate on non-real-estate loans.

^{4/} Includes the value of farm real estate (March 1), and the inventory value of livestock, machinery and equipment.

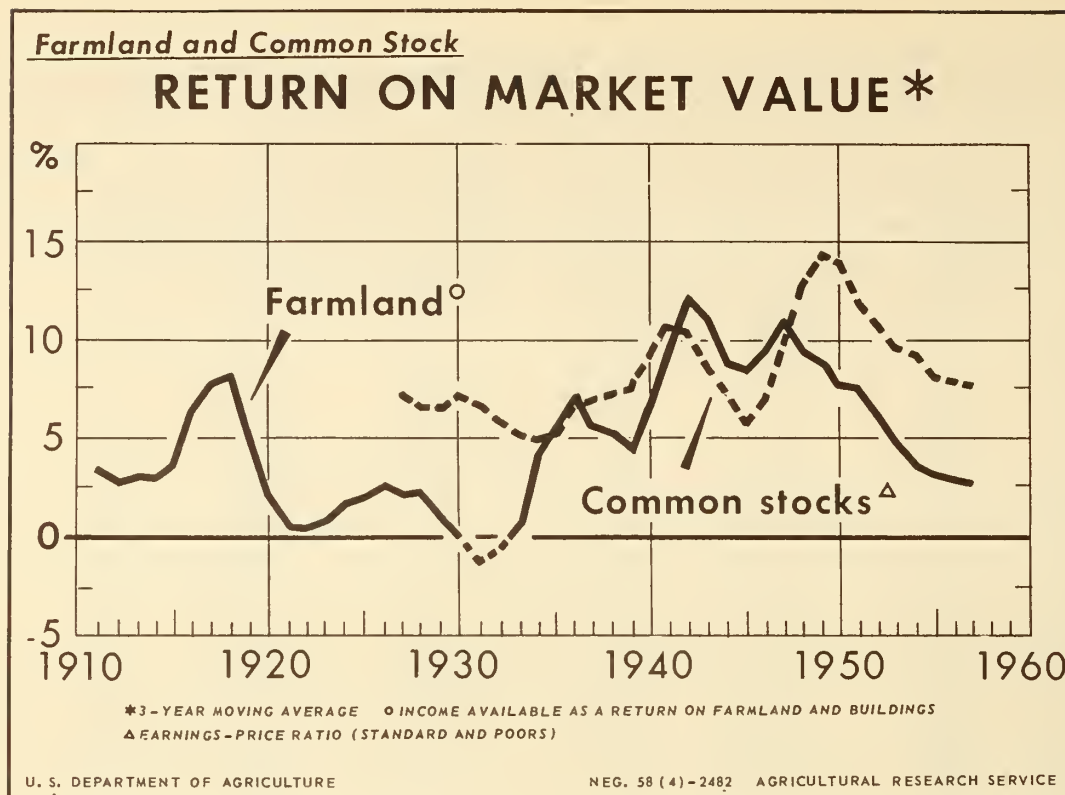


Figure 5

With return to real estate in 1957 below the mortgage interest rate, the return to labor and management is estimated at 69 cents per hour, if an interest charge is made for all farm capital. This compares with the actual cash wage rate of 88 cents per hour. Thus, a part of the returns to labor and management would need to be allocated to land to provide a rate of return on current values equal to the mortgage rate of interest. Similar situations have existed in the past, but the current low rate of return to land might be expected to exert downward pressures on market values.

The fact that market values of land have continued to advance while net returns have declined, especially since 1951, suggests that several factors other than annual returns from farm earnings have operated. ^{10/} Some of these factors can be traced to the trends apparent in the general economy; others stem from the rapid technological changes that are occurring within agriculture.

Because land is the only important productive resource whose supply cannot be increased in response to demand, it has been especially vulnerable to

^{10/} In addition to income from farming, farm people also have substantial income from nonfarm sources. In 1945-50, this was estimated at about \$4.5 billion annually and since 1952 it has averaged about \$6 billion. Some of this income has been used to buy farm real estate and to meet mortgage and interest payments in years when farm income declined.

inflationary pressures. The almost steady rise in the general price level since 1940 has encouraged capital to remain in, or to seek out, those productive factors whose purchasing power will be retained or enhanced. Farm real estate has had this characteristic for the last 20 years; it has increased about 50 percent more than the general price level. This represents an annual real gain in purchasing power of capital invested in land of about 3 percent per year, in addition to the annual return from earnings. This expected increase in real value of land apparently has been capitalized into market values in recent years.

Although land has shown a real gain in purchasing power, the increase is appreciably less than that for common stocks. The average price of a representative group of common stocks increased about 300 percent between 1940 and 1957. If this gross appreciation is adjusted for changes in price level, the real gain (in terms of retail prices) is 88 percent, or double that shown for land.

Part of the real gain in the purchasing power of land is due to the additional capital that has been invested in farms in the 1940-57 period, and a part of it reflects the increase in output that has resulted from technological advances. Substantial investments have been made in soil-and-water-conserving structures, drainage, irrigation, and soil fertility. Modernization of farm dwellings has also added to the market value of farms. Thus, some increase would have occurred in market values even if the general price level had remained unchanged.

Some of these improvements to land have contributed to the increase in farm output, although improved management and additional amounts of non-real-estate capital have contributed also. However, market forces appear to have capitalized a substantial part of the gains from technology into the market value of farm real estate.

Land is often the limiting factor in realizing the maximum gains possible from many specific technological advances. Specialized types of equipment that can reduce unit costs often require relatively large acreages to justify the investment. Savings in operator and family labor cannot be realized unless the man-hours saved can be put to productive use. Thus, many production techniques that can increase net income on existing farms are even more profitable if they can be applied to larger acreages. Some, such as irrigation, can be realized only if applied to land with certain attributes.

This situation has created strong pressures for farm enlargement. Higher values for land to be added to existing farms are possible than would be justified by the earnings of the smaller units. Because of the limited acreage of land offered for sale, competition among farmers for additional land has continued to force prices upward.

Market prices for land have been influenced also by actual and anticipated uses for nonagricultural purposes, and by various classes of nonfarmer buyers. Expected earnings from agricultural production have little weight in determining

market prices under these circumstances. Land represents a consumption good to some groups of nonfarmers who are more concerned with safety of funds and possible capital appreciation than with farm earnings. The extent of this demand depends mainly on employment and earnings in the nonfarm sector of the economy.

Both farmer and nonfarmer investors are more likely to compare farmland with alternative investments and to appraise longer term income prospects. But they may be willing to accept a relatively low rate of return from land because of the diversification and tax advantages it offers. Protection of funds against loss of purchasing power and the desire to possess a tangible asset to pass on to children are frequently additional considerations.

Table 11.- Farm real estate: Index numbers of average value per acre, by type of land, Western States, March 1, 1958, and selected dates

GRAZING LAND

State and region	Index numbers (1947-49=100)							Change, 1957 to 1958
	1930	1940	1945	1950	1956	1957	1958	
								Percent
Montana-----	66	39	65	105	154	170	182	7
Idaho-----	61	42	72	106	136	147	160	9
Wyoming-----	60	36	66	99	121	120	127	6
Colorado-----	54	31	59	105	122	117	128	9
New Mexico-----	55	36	69	107	134	130	140	8
Arizona-----	65	38	71	100	148	142	156	10
Utah-----	79	48	74	107	132	132	138	5
Nevada-----	78	51	83	100	143	146	156	7
Mountain-----	62	38	68	104	136	137	148	8
Washington-----	50	43	75	101	140	151	162	7
Oregon-----	66	40	76	97	128	140	150	7
California-----	71	44	81	93	133	141	149	6
Pacific-----	67	44	79	95	134	143	151	6
Western States-----	64	40	73	100	135	140	149	6

-Continued

Table 11.- Farm real estate: Index numbers of average value per acre, by type of land, Western States, March 1, 1958, and selected dates -Continued

IRRIGATED LAND								
State and region	Index numbers (1947-49=100)							Change, 1957 to 1958
	1930	1940	1945	1950	1956	1957	1958	
								Percent
Montana-----	64	57	77	100	132	138	144	4
Idaho-----	62	44	80	106	147	151	157	4
Wyoming-----	64	49	73	104	123	120	127	6
Colorado-----	68	48	72	102	126	125	132	6
New Mexico-----	47	39	73	105	143	140	143	2
Arizona-----	63	45	81	96	138	146	156	7
Utah-----	72	48	72	106	134	144	150	4
Nevada-----	65	47	77	97	139	142	147	4
Mountain-----	65	47	76	103	136	139	146	5
Washington-----	73	47	80	103	139	150	151	1
Oregon-----	61	42	77	103	126	135	140	4
California-----	73	41	81	94	138	149	160	7
Pacific-----	72	41	81	95	137	148	158	7
Western States-----	70	43	79	97	137	146	154	5
DRY FARMING LAND								
Montana-----	66	41	68	105	159	164	174	6
Idaho-----	59	41	70	108	149	155	159	3
Wyoming-----	57	31	63	102	132	135	140	4
Colorado-----	49	27	61	105	123	118	129	9
New Mexico-----	49	33	68	107	136	135	140	4
Arizona-----	60	41	71	103	151	156	158	1
Utah-----	84	52	79	112	134	141	145	3
Nevada-----	72	49	78	99	148	151	157	4
Mountain-----	59	36	67	106	142	144	152	6
Washington-----	50	46	74	100	139	143	155	8
Oregon-----	62	41	72	98	133	136	141	4
California-----	57	41	75	91	138	144	160	11
Pacific-----	56	42	73	95	137	141	153	9
Western States-----	56	41	72	99	139	142	153	8

Table 12.- Farm real estate: Average value per acre and total value, farm production regions and United States, March 1, 1956-58 1/

State and region	Average value per acre			Total value		
	1956	1957	1958	1956	1957	1958
	Dollars	Dollars	Dollars	Million dollars	Million dollars	Million dollars
Maine-----	60.68	64.62	66.82	219	234	242
New Hampshire----	89.99	93.95	99.02	131	137	144
Vermont-----	62.01	65.17	69.73	206	216	231
Massachusetts----	227.84	248.35	267.22	328	357	385
Rhode Island-----	352.85	384.96	419.61	55	60	65
Connecticut-----	304.58	334.12	364.86	347	380	415
New York-----	115.35	123.89	127.11	1,738	1,867	1,916
New Jersey-----	442.98	482.85	521.48	738	804	868
Pennsylvania-----	151.03	161.75	171.62	1,988	2,129	2,259
Delaware-----	164.97	180.97	199.43	134	147	162
Maryland-----	184.80	201.80	219.76	720	786	856
Northeast-----	144.40	155.65	164.96	6,604	7,118	7,543
Ohio-----	206.72	219.12	233.80	4,133	4,381	4,674
Indiana-----	207.08	223.85	233.25	3,983	4,305	4,486
Illinois-----	241.10	260.15	273.16	7,329	7,908	8,304
Iowa-----	206.49	215.99	223.77	7,030	7,353	7,618
Missouri-----	85.07	92.64	98.94	2,909	3,168	3,383
Corn Belt-----	184.12	196.68	206.47	25,383	27,115	28,465
Michigan-----	144.39	155.36	161.26	2,378	2,558	2,655
Wisconsin-----	105.78	114.77	119.82	2,381	2,583	2,697
Minnesota-----	117.46	129.44	138.24	3,792	4,179	4,463
Lake States-----	119.99	130.80	137.74	8,551	9,320	9,815
Virginia-----	113.50	120.42	128.01	1,667	1,768	1,880
West Virginia----	73.01	77.83	82.42	537	572	606
North Carolina---	135.62	142.54	149.38	2,476	2,603	2,728
Kentucky-----	95.49	104.94	110.50	1,722	1,893	1,993
Tennessee-----	95.78	101.81	107.21	1,691	1,797	1,893
Appalachian-----	106.51	113.62	119.75	8,093	8,633	9,099
South Carolina---	90.86	98.13	102.94	1,006	1,086	1,139
Georgia-----	64.09	69.41	75.52	1,539	1,667	1,814
Florida-----	120.36	140.82	163.77	2,186	2,558	2,974
Alabama-----	62.88	66.53	71.25	1,309	1,385	1,483
Southeast-----	81.55	90.41	100.06	6,040	6,695	7,410

See footnote at end of table.

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Table 12.- Farm real estate: Average value per acre and total value, farm production regions and United States, March 1, 1956-58 1/- Continued

State and region	Average value per acre			Total value		
	1956	1957	1958	1956	1957	1958
	Dollars	Dollars	Dollars	Million dollars	Million dollars	Million dollars
Mississippi-----	80.11	86.68	92.05	1,658	1,794	1,906
Arkansas-----	80.66	87.92	93.99	1,447	1,578	1,687
Louisiana-----	118.85	130.97	141.32	1,360	1,498	1,617
Delta States----	89.16	97.24	104.00	4,466	4,871	5,209
Oklahoma-----	65.44	69.82	73.03	2,332	2,488	2,602
Texas-----	63.13	68.81	71.84	9,205	10,033	10,475
Southern Plains--	63.58	69.01	72.07	11,537	12,521	13,077
North Dakota-----	36.55	40.10	43.55	1,531	1,679	1,824
South Dakota-----	39.79	41.42	44.36	1,789	1,862	1,994
Nebraska-----	71.80	71.08	79.11	3,410	3,375	3,757
Kansas-----	84.56	85.91	92.95	4,230	4,298	4,650
Northern Plains--	59.45	60.83	66.31	10,959	11,214	12,224
Montana-----	25.73	27.38	29.02	1,582	1,683	1,784
Idaho-----	93.53	97.36	101.64	1,344	1,399	1,460
Wyoming-----	15.33	15.13	16.01	536	529	560
Colorado-----	39.18	38.08	41.01	1,504	1,462	1,574
New Mexico-----	21.77	21.25	22.53	1,077	1,051	1,114
Arizona-----	26.90	27.06	29.31	1,124	1,131	1,225
Utah-----	46.56	47.44	49.50	571	582	607
Nevada-----	27.78	28.34	30.01	229	233	247
Mountain-----	30.53	30.92	32.85	7,966	8,069	8,571
Washington-----	117.82	123.95	131.76	2,079	2,187	2,324
Oregon-----	79.79	84.02	88.14	1,679	1,768	1,855
California-----	245.98	263.44	282.11	9,297	9,957	10,674
Pacific-----	170.68	181.89	194.20	13,055	13,912	14,853
United States--	88.63	94.52	100.39	102,652	109,469	116,268

1/ Estimates obtained by projecting the 1954 census values per acre on the basis of the change shown by the index of average value per acre. Acres in farms as reported by the 1954 census.

Table 13.- Value of farm buildings, by States, selected years 1/

State and region	Total value of buildings			Buildings as percentage of land and buildings			Average value of buildings, 1958 2/	
	1956	1957	1958	1956	1957	1958	Per farm	Per acre
	Million dollars	Million dollars	Million dollars	Pct.	Pct.	Pct.	Dollars	Dollars
Maine-----	114	116	130	52.1	49.8	53.7	5,554	35.91
New Hampshire---	85	91	97	65.1	66.3	67.3	9,332	66.67
Vermont-----	122	134	141	59.4	61.9	61.1	8,843	42.60
Massachusetts---	142	175	206	43.2	49.1	53.6	11,882	143.34
Rhode Island----	29	34	39	53.7	57.4	59.9	19,393	251.26
Connecticut-----	163	180	187	47.0	47.3	45.0	14,645	164.13
New York-----	951	994	958	54.7	53.2	50.0	9,064	63.58
New Jersey-----	337	366	415	45.7	45.5	47.8	18,299	249.29
Pennsylvania----	1,130	1,213	1,305	56.8	57.0	57.8	10,125	99.14
Delaware-----	66	69	81	49.3	46.6	49.6	12,796	98.95
Maryland-----	322	325	376	44.7	41.3	43.9	11,561	96.43
Northeast-----	3,462	3,697	3,935	52.4	51.9	52.2	10,410	86.04
Ohio-----	1,551	1,622	1,719	37.5	37.0	36.8	9,711	86.01
Indiana-----	1,257	1,264	1,352	31.6	29.4	30.1	8,805	70.31
Illinois-----	1,328	1,432	1,392	18.1	18.1	16.8	7,927	45.78
Iowa-----	1,392	1,405	1,352	19.8	19.1	17.8	7,009	39.72
Missouri-----	628	684	674	21.6	21.6	19.9	3,345	19.72
Corn Belt-----	6,155	6,407	6,490	24.3	23.6	22.8	7,205	47.08
Michigan-----	1,089	1,136	1,234	45.8	44.4	46.5	8,885	74.96
Wisconsin-----	1,173	1,304	1,359	49.3	50.5	50.4	8,850	60.38
Minnesota-----	1,279	1,282	1,363	33.7	30.7	30.5	8,250	42.22
Lake States----	3,542	3,722	3,957	41.4	39.9	40.3	8,644	55.52
Virginia-----	719	700	831	43.1	39.6	44.2	6,093	56.60
West Virginia---	220	214	252	41.0	37.5	41.6	3,674	34.27
North Carolina---	737	707	889	29.8	27.2	32.6	3,317	48.67
Kentucky-----	606	624	682	35.2	33.0	34.2	3,522	37.79
Tennessee-----	555	529	582	32.8	29.4	30.8	2,866	32.98
Appalachian----	2,837	2,775	3,236	35.0	32.1	35.6	3,721	42.58
South Carolina---	316	313	359	31.4	28.8	31.5	2,888	32.10
Georgia-----	385	426	511	25.0	25.6	28.2	3,088	21.28
Florida-----	435	424	576	19.9	16.6	19.4	10,004	31.70
Alabama-----	350	357	388	26.7	25.8	26.2	2,192	18.64
Southeast-----	1,486	1,520	1,833	24.6	22.7	24.7	3,497	24.75

See footnotes at end of table.

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Table 13.- Value of farm buildings, by States, selected years 1/ - Continued

State and region	Total value of buildings			Buildings as percentage of land and buildings			Average value of buildings, 1958 2/	
	1956	1957	1958	1956	1957	1958	Per farm	Per acre
	Million dollars	Million dollars	Million dollars	Pct.	Pct.	Pct.	Dollars	Dollars
Mississippi----	373	381	458	22.5	21.2	24.0	2,119	22.10
Arkansas-----	229	215	273	15.8	13.6	16.2	1,880	15.20
Louisiana-----	265	315	367	19.5	21.0	22.7	3,305	32.11
Delta States--	868	911	1,098	19.4	18.7	21.1	2,325	21.91
Oklahoma-----	219	298	277	9.4	12.0	10.7	2,332	7.79
Texas-----	955	1,143	1,479	10.4	11.4	14.1	5,048	10.14
South Plains--	1,173	1,441	1,756	10.2	11.5	13.4	4,264	9.68
North Dakota---	218	195	193	14.2	11.6	10.6	3,118	4.61
South Dakota---	269	216	259	15.0	11.6	13.0	4,150	5.77
Nebraska-----	509	415	447	14.9	12.3	11.9	4,434	9.42
Kansas-----	559	572	661	13.2	13.3	14.2	5,503	13.22
North Plains--	1,554	1,397	1,561	14.2	12.5	12.8	4,518	8.47
Montana-----	207	201	226	13.1	12.0	12.7	6,826	3.67
Idaho-----	211	204	223	15.7	14.6	15.3	5,753	15.51
Wyoming-----	70	60	68	13.1	11.3	12.1	5,958	1.94
Colorado-----	244	221	250	16.2	15.1	15.9	6,139	6.52
New Mexico-----	93	78	92	8.7	7.5	8.3	4,367	1.86
Arizona-----	96	83	100	8.6	7.3	8.2	10,716	2.39
Utah-----	103	99	107	18.1	17.0	17.7	4,698	8.75
Nevada-----	32	29	33	13.8	12.6	13.4	11,571	4.02
Mountain-----	1,056	976	1,099	13.3	12.1	12.8	6,104	4.21
Washington-----	430	431	473	20.7	19.7	20.4	7,260	26.82
Oregon-----	313	314	341	18.6	17.7	18.4	6,268	16.21
California-----	1,043	1,002	1,158	11.2	10.1	10.9	9,410	30.64
Pacific-----	1,786	1,747	1,972	13.7	12.6	13.3	8,128	25.79
United States 3/-	23,919	24,594	26,936	23.3	22.5	23.2	5,642	23.26

1/ Includes both farm dwellings and service buildings. Based on relationship between value of land with improvements and value of land without improvements, as reported by crop reporters, March 1.

2/ Number and acres in farms assumed to be the same as reported by the 1954 Census of Agriculture.

3/ Regional and national totals derived from unrounded State figures.

Table 14.- Farm title transfers: Estimated number by various methods, per 1,000 of all farms, by State and farm production regions, years ending March 15, 1957-58

State and region	Voluntary		Forced sales				All		Total	
	sales and		Fore-				other		all	
	trades		closures		Tax sales		sales		classes	
	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958
Maine-----	26.8	24.7	3.4	1.0	1.4	0.4	13.1	6.6	44.7	32.7
New Hampshire-----	38.2	43.0	2.0	0.5	3/	3/	3.5	3.0	43.7	46.5
Vermont-----	47.0	47.0	2.5	2.0	3/	0.4	9.3	9.4	58.8	58.8
Massachusetts-----	32.8	35.7	3/	0.5	.4	3/	4.1	4.5	37.3	40.7
Rhode Island-----	43.3	40.0	3/	3/	3/	3/	1.5	1.5	44.8	41.5
Connecticut-----	45.6	50.0	3/	1.0	3/	3/	7.1	4.5	52.7	55.5
New York-----	30.0	32.8	3.7	3.7	2.0	1.0	9.9	10.8	45.6	48.3
New Jersey-----	36.4	33.0	3.5	4.5	2.0	1.0	10.8	10.2	52.7	48.7
Pennsylvania-----	28.3	27.8	1.9	1.9	.7	.6	13.9	12.2	44.8	42.5
Delaware-----	40.0	38.0	3/	3/	3/	3/	6.0	4.8	46.0	42.8
Maryland-----	33.1	34.0	.4	1.5	.3	3/	12.3	8.2	46.1	43.7
Northeast-----	31.8	32.5	2.3	2.3	1.0	.6	10.9	9.7	46.0	45.1
Ohio-----	32.8	36.7	.8	1.8	.2	1.0	17.9	18.6	51.7	58.1
Indiana-----	34.0	33.0	.8	0.5	.8	.6	14.9	17.2	50.5	51.3
Illinois-----	21.6	22.3	.6	0.6	.4	.3	21.9	16.2	44.5	39.4
Iowa-----	23.7	27.0	.5	0.8	.3	.6	14.9	14.7	39.4	43.1
Missouri-----	35.3	39.4	1.8	1.6	1.0	.5	10.9	11.3	49.0	52.8
Corn Belt-----	29.5	31.9	.9	1.1	.5	.6	15.9	15.4	46.8	49.0
Michigan-----	32.1	30.1	.6	1.4	3/	3/	10.7	16.0	43.4	47.5
Wisconsin-----	35.3	38.1	1.6	1.3	.8	1.3	11.3	13.7	49.0	54.4
Minnesota-----	34.0	35.6	1.7	1.7	1.1	1.8	15.6	14.7	52.4	53.8
Lake States-----	33.8	34.7	1.3	1.5	.7	1.1	12.6	14.7	48.4	52.1
Virginia-----	24.5	20.0	1.0	1.6	.4	1.0	10.8	12.2	36.7	34.8
West Virginia-----	22.1	18.1	1.9	1.0	.3	.7	14.5	19.4	38.8	39.2
North Carolina-----	18.0	17.0	4.8	4.2	1.4	.6	21.6	16.5	45.8	38.3
Kentucky-----	26.7	32.5	.9	0.5	.5	.5	14.0	19.8	42.1	53.3
Tennessee-----	29.0	24.4	1.2	0.8	.7	.9	15.5	16.0	46.4	42.1
Appalachian-----	24.1	23.0	2.1	1.8	.8	.7	15.9	16.8	42.9	42.2
South Carolina-----	22.1	24.6	3.3	2.7	.8	1.4	17.4	18.9	43.6	47.6
Georgia-----	34.4	30.1	4.0	1.0	.5	.5	17.2	16.8	56.1	48.4
Florida-----	60.0	54.5	1.9	2.7	.6	.4	8.9	7.4	71.4	65.0
Alabama-----	37.3	30.4	1.3	1.0	.3	.5	14.1	14.3	53.0	46.2
Southeast-----	35.6	31.7	2.6	1.6	.5	.7	15.3	15.3	54.0	49.2

See footnotes at end of table.

-Continued

Table 14.- Farm title transfers: Estimated number by various methods, per 1,000 of all farms, by State and farm production regions, years ending March 15, 1957-58 - Continued

State and region	Voluntary		Forced sales				All		Total	
	sales and		Fore-		Tax sales		other		all	
	1957	1958	1957	1958	1957	1958	1957	1958	1957	1958
	trades		closures				sales		classes	
Mississippi-----	31.7	24.0	1.7	0.8	.4	.4	7.7	12.2	41.5	37.4
Arkansas-----	37.9	38.0	2.4	1.1	1.0	.5	13.0	11.0	54.3	50.6
Louisiana-----	25.2	24.9	1.0	1.2	3/	.3	8.7	10.1	34.9	36.5
Delta States----	32.3	29.1	1.8	1.0	.5	.4	9.8	11.2	44.4	41.8
Oklahoma-----	35.0	30.6	1.6	1.1	.8	.5	12.0	15.6	49.4	47.8
Texas-----	27.1	29.0	2.9	2.8	1.0	.9	14.3	17.1	45.3	49.8
Southern Plains--	29.5	29.5	2.5	2.3	.9	.8	13.6	16.6	46.5	49.2
North Dakota-----	26.0	28.0	3.3	2.6	.9	.6	15.8	17.9	46.0	49.1
South Dakota-----	26.9	31.1	2.3	1.2	.5	.3	13.0	12.3	42.7	44.9
Nebraska-----	21.9	22.9	2.9	1.0	.7	.4	16.1	13.8	41.6	38.1
Kansas-----	25.1	22.6	1.7	1.6	.3	.7	15.6	16.6	42.7	41.5
Northern Plains--	24.7	25.2	2.4	1.5	.6	.5	15.3	15.3	43.0	42.5
Montana-----	25.8	28.2	3.5	2.8	.8	.4	12.1	14.3	42.2	45.7
Idaho-----	42.1	45.4	5.5	3.7	.5	.5	8.2	11.9	56.3	61.5
Wyoming-----	33.5	37.0	1.5	2.3	.3	3/	11.8	9.5	47.1	48.8
Colorado-----	33.2	38.0	4.2	2.7	3/	.5	9.6	12.7	47.0	53.8
New Mexico-----	45.6	40.0	3.5	4.0	3/	.8	6.7	6.4	55.8	51.2
Arizona-----	60.1	58.0	1.0	0.5	3/	3/	6.6	3.3	67.7	61.8
Utah-----	39.5	38.8	6.3	4.1	.5	1.0	16.5	12.9	62.8	56.8
Nevada-----	38.5	37.8	4.1	6.2	3/	3/	2.5	3.5	45.1	47.5
Mountain-----	37.5	39.1	4.2	3.2	.3	.5	10.2	11.3	52.2	54.0
Washington-----	45.5	40.1	2.6	3.2	3/	.2	6.1	10.2	54.2	53.7
Oregon-----	47.5	49.3	4.4	5.2	.4	.5	7.8	12.5	60.1	67.5
California-----	64.4	60.0	2.4	1.8	.7	.4	10.4	13.7	77.9	75.9
Pacific-----	55.6	52.4	2.9	2.9	.4	.4	8.7	12.5	67.6	68.2
United States--	31.4	31.1	2.0	1.7	.7	.7	13.7	14.5	47.8	48.0

1/ Includes loss of title by default of contract, sales to avoid foreclosure, surrender of title, and other transfers to avoid foreclosure.

2/ Includes sales resulting from inheritances and gifts, administrator's and executor's sales, and other miscellaneous and unclassified sales.

3/ None reported.

Table 15.- Farm real estate: Index numbers of average value per acre, by States and farm production regions, March 1958, and selected dates 1/

(1947-49=100)

State and region	1940	1950	1954	1955	1956	1957			1958
						March	July	Nov.	March
Maine-----	69	95	109	104	107	114	115	116	118
New Hampshire-----	67	97	105	105	108	113	115	117	119
Vermont-----	58	101	107	104	107	112	116	117	120
Massachusetts-----	74	99	106	106	108	117	120	122	126
Rhode Island-----	66	101	109	108	112	122	127	131	133
Connecticut-----	65	100	109	111	115	126	131	135	138
New York-----	59	105	117	119	124	133	135	135	137
New Jersey-----	62	103	129	132	143	156	162	165	168
Pennsylvania-----	58	102	130	134	143	154	159	161	163
Delaware-----	55	98	124	130	135	148	153	159	163
Maryland-----	50	99	129	136	140	153	156	162	167
Northeast-----	60	102	121	123	130	139	143	145	147
Ohio-----	46	101	132	141	151	161	168	169	171
Indiana-----	44	103	137	147	154	166	169	172	173
Illinois-----	50	108	139	142	149	161	167	168	169
Iowa-----	51	108	125	133	136	142	145	146	147
Missouri-----	50	106	123	130	134	146	149	152	156
Corn Belt-----	49	106	132	139	144	154	159	160	162
Michigan-----	46	100	128	133	141	152	155	158	158
Wisconsin-----	58	101	113	113	117	127	130	130	133
Minnesota-----	55	109	127	135	145	160	163	166	171
Lake States-----	54	104	122	127	135	147	150	152	154
Virginia-----	48	101	129	135	143	152	155	160	161
West Virginia-----	58	95	107	110	117	125	2/129	2/131	132
North Carolina-----	43	106	133	140	146	154	158	158	161
Kentucky-----	42	102	116	115	115	127	131	133	133
Tennessee-----	42	103	116	118	121	129	131	136	136
Appalachian-----	44	103	123	126	130	139	2/140	145	146
South Carolina-----	43	97	120	121	126	136	139	141	143
Georgia-----	45	99	134	138	145	157	164	168	171
Florida-----	57	97	134	141	157	183	190	199	213
Alabama-----	47	101	125	125	134	142	149	2/152	152
Southeast-----	48	99	129	132	141	156	162	166	171

See footnotes at end of table.

-Continued

Table 15.- Farm real estate: Index numbers of average value per acre, by States and farm production regions, March 1958, and selected dates 1/ - Continued

(1947-49=100)									
State and region	1940	1950	1954	1955	1956	1957			1958
						March	July	Nov.	
Mississippi-----	46	106	135	137	147	159	164	169	169
Arkansas-----	40	105	124	126	132	144	147	150	154
Louisiana-----	57	105	132	138	146	161	165	168	174
Delta States----	46	104	129	132	140	152	156	160	163
Oklahoma-----	50	108	128	136	138	148	149	154	155
Texas-----	55	102	133	137	139	151	152	158	158
Southern Plains--	54	103	132	137	139	150	151	157	157
North Dakota-----	48	107	134	132	136	150	153	156	162
South Dakota-----	47	111	135	139	140	146	149	153	156
Nebraska-----	47	104	127	134	133	131	136	141	146
Kansas-----	45	106	125	129	133	136	140	141	147
Northern Plains--	46	107	129	133	135	138	142	145	150
Montana-----	43	104	142	146	152	162	166	2/170	171
Idaho-----	43	107	136	142	146	152	153	155	158
Wyoming-----	40	100	123	123	123	121	126	2/127	128
Colorado-----	37	104	128	128	124	121	125	2/128	130
New Mexico-----	36	107	135	136	137	133	138	2/140	141
Arizona-----	40	99	135	137	144	145	148	154	157
Utah-----	49	107	133	137	134	136	140	2/141	142
Nevada-----	49	99	137	139	142	145	148	151	153
Mountain-----	41	104	134	136	138	139	143	2/146	148
Washington-----	45	101	132	137	140	147	152	155	156
Oregon-----	41	99	123	128	130	137	141	143	144
California-----	42	94	122	128	137	147	152	2/154	158
Pacific-----	42	96	124	130	137	146	151	2/153	156
United States----	49	103	128	133	138	147	151	154	156

1/ All farmlands with improvements as of March 1, except as indicated. March 1958 figures are preliminary.

2/ Revised

Table 16.- Farm real estate: Index numbers of average value per acre, by States and geographic divisions, March, 1958 and selected dates 1/

(1912-14=100)									
State and division	1920	1930	1950	1955	1956	1957			1958
						March	July	Nov.	March
Maine-----	142	124	132	145	148	158	160	162	163
New Hampshire-----	129	111	136	147	152	159	162	165	167
Vermont-----	150	123	176	181	186	195	202	204	209
Massachusetts-----	140	131	152	161	164	179	183	187	193
Rhode Island-----	130	134	184	197	204	223	232	239	243
Connecticut-----	137	140	191	213	220	241	251	259	264
New England-----	140	127	157	169	173	186	191	194	198
New York-----	133	103	152	172	179	193	196	195	198
New Jersey-----	130	125	194	249	270	294	305	311	317
Pennsylvania-----	140	107	157	206	222	237	246	248	252
Middle Atlantic-----	136	106	157	194	205	221	227	228	231
Ohio-----	159	90	167	234	252	267	279	280	285
Indiana-----	161	80	174	249	260	281	285	288	293
Illinois-----	160	91	162	213	224	242	250	251	254
Michigan-----	154	121	198	263	279	300	306	311	311
Wisconsin-----	171	117	145	162	169	183	188	187	191
East North Central-----	161	96	166	219	231	249	257	258	261
Minnesota-----	213	133	169	210	225	248	252	258	265
Iowa-----	213	113	158	195	198	208	212	214	215
Missouri-----	167	92	124	153	158	172	175	179	183
North Dakota-----	145	95	115	142	147	161	164	167	175
South Dakota-----	181	93	97	121	122	127	130	133	136
Nebraska-----	179	113	130	167	165	164	170	176	182
Kansas-----	151	113	169	205	212	215	222	224	233
West North Central-----	184	109	142	177	181	190	194	198	203
Delaware-----	139	111	158	210	217	238	247	257	262
Maryland-----	166	123	199	273	282	307	312	326	335
Virginia-----	189	134	235	313	332	353	359	373	375
West Virginia-----	154	105	139	161	172	183	2/189	2/192	194
North Carolina-----	223	158	341	451	471	494	508	509	518
South Carolina-----	230	104	203	253	263	284	289	295	298
Georgia-----	217	100	181	252	265	288	300	306	313
Florida-----	178	172	226	328	366	428	443	465	497
South Atlantic-----	199	127	224	300	317	344	353	362	371

See footnotes at end of table.

-Continued

Table 16.- Farm real estate: Index numbers of average value per acre, by States and geographic divisions, March 1958, and selected dates 1/ - Continued

(1912-14=100)									
State and division	1920	1930	1950	1955	1956	1957			1958
						March	July	Nov.	March
Kentucky-----	200	127	272	308	309	340	352	358	358
Tennessee-----	200	123	265	303	312	332	336	350	350
Alabama-----	177	143	260	321	345	365	384	391	391
Mississippi-----	218	122	244	317	340	368	379	391	391
East South Central-----	199	128	263	311	323	348	359	368	368
Arkansas-----	222	141	247	297	312	340	347	355	364
Louisiana-----	198	132	221	291	308	340	347	354	366
Oklahoma-----	166	127	202	254	259	277	279	288	289
Texas-----	174	138	184	248	250	273	274	286	285
West South Central-----	177	136	192	254	258	280	282	293	294
Montana-----	126	82	132	186	193	206	211	2/216	218
Idaho-----	172	130	230	307	314	327	330	334	341
Wyoming-----	177	111	183	225	224	221	231	2/232	234
Colorado-----	141	89	161	198	193	187	193	2/198	202
New Mexico-----	144	112	232	295	297	290	300	2/305	307
Arizona-----	165	139	218	304	318	320	328	341	347
Utah-----	167	125	179	229	224	228	235	2/236	238
Nevada-----	135	98	132	186	190	194	198	201	205
Mountain-----	148	103	175	229	232	234	241	2/245	249
Washington-----	139	113	210	285	291	306	317	322	325
Oregon-----	129	111	176	226	230	242	249	252	254
California-----	167	164	220	301	322	345	356	2/361	370
Pacific-----	157	147	212	287	303	323	333	2/338	345
United States-----	173	114	174	224	232	247	253	2/258	262

1/ All farmlands with improvements as of March 1, except as indicated. March 1958 figures are preliminary.

2/ Revised.

UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

PENALTY FOR PRIVATE USE TO
AVOID PAYMENT OF POSTAGE \$300

OFFICIAL BUSINESS

ARS 43-74-----5/58-----5,000

J H HECKMAN
FARMERS-COOP SERVICE USDA
4-26-55
FRES